

## ECONOMIC BULLETIN FOR EUROPE, Vol. 2, No. 1

### Corrigendum

The order and numbering of Tables 7 and 8 on pages 27 and 28 should be reversed :

*Table 7* — “ Textile Production and Imports of Textile Materials ”, should be amended to read *Table 8*.

*Table 8* — “ Rayon Production in Relation to Total Yarn Production ”, should be amended to read *Table 7*.

Page 36, first column, 17th line : “ ... which are *now slightly less than* before the war... ”, should read “ ... which are *approximately the same as* before the war... ”.

All references (in roman numerals) to Appendix Tables XII to XIX given in pages 3 to 16 should be revised downwards by one to read Tables XI to XVIII.

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# ECONOMIC BULLETIN FOR EUROPE

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## REVIEW OF THE ECONOMIC SITUATION IN EUROPE, JANUARY-MARCH 1950

### GENERAL SUMMARY

*I*N the first quarter of 1950, industrial production in Europe continued to increase at a relatively high rate. A large part of this increase was due to the expansion of textile production. Preliminary reports indicate that the harvest may be even better than last year's. The output of livestock produce continues to increase, and the condition of pastures promises further improvement.

Apart from the usual seasonal movements, little change was noticeable in the employment situation, and the only country where unemployment increased significantly was Austria.

Since last September, retail prices have risen moderately in the countries which devalued most, the rise in no case exceeding 10 per cent, and have tended to fall in countries which devalued little or not at all. Wages have kept pace with the rise in prices in some countries. In other countries, where real wages have fallen, increases in money wages are impending. Except in Finland, however, devaluation has not been accompanied so far by a re-emergence of inflation, and in many western European countries further steps were taken to abolish physical controls as supplies improved.

The overseas trade balance showed little change compared with the preceding quarter, contrary to the usual seasonal deterioration. There was a further marked improvement in the trade and payments position with the United States, due almost entirely to a reduction in imports from that country. The adverse balance on goods and services with the United States was more than 40 per cent lower than in the same quarter a year ago. As a result of devaluation, the dollar price of European exports has fallen to a varying extent, and the competitive position of Europe has improved. Exports to the Western Hemisphere increased substantially and exports to other overseas markets were maintained, whereas United States exports showed a general decline. Among European exporting countries, those which devalued most shared to the greatest extent in this improvement. In Europe's overseas imports there was a further shift away from hard-currency sources, the change being particularly marked in imports by western Germany from the United States and in imports by the United Kingdom, as well as continental European countries, from Canada.

Movements in intra-European trade, although affected by devaluation, appear to have been influenced chiefly by trade liberalization in western Europe, and the fuller participation of western Germany in international trade. This was particularly noticeable in the development of trade in textiles.

### Industrial Production

Industrial production in Europe, excluding the Union of Soviet Socialist Republics, expanded by a further 2 per cent in the first quarter of the year. In comparison with the corresponding quarter of the previous year, production was 9 per cent higher or, if Germany is excluded, some 7 per cent higher. The bulk of this increase came from increased productivity, since industrial employment, as shown in Table VI, rose by only some 2 per cent over the year.

Data for individual countries showing industrial output in the first quarter compared with that a year ago (and also compared with the preceding quarter) are given in Table I.<sup>1</sup> In most instances, the annual rate of expansion was more or less maintained at the previous level. This rate of expansion was high in the

<sup>1</sup> The table includes the official data published for the U.S.S.R. It also includes Hungary, which could not be included in Table I of the section "European Economic Statistics" below. All tables in that section are indicated by roman numerals.

**Table 1**  
**INDEX NUMBERS OF INDUSTRIAL PRODUCTION**

Country	Corresponding quarter previous year = 100				Fourth quarter 1949 = 100	
	1949				1950	1950
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	First quarter
Austria . . . . .	137	133	133	137	134	100
Belgium . . . . .	108	106	94	99	97	100
Bulgaria . . . . .	137		138	106	122	124
Czechoslovakia . . . . .	110	110	107	109	..	..
Denmark . . . . .	104	105	108	107	109	99
Finland . . . . .	105	104	101	107	106	97
France . . . . .	113	111	107	108	98	100
Germany : western zones . . . . .	171	168	137	129	118	101
Greece . . . . .	117	125	122	111	119	98
Hungary . . . . .	127		142	..	147	..
Ireland . . . . .	106	105	108	110	114	97
Italy . . . . .	106	112	105	104	114	101
Netherlands . . . . .	115	112	113	113	110	97
Norway . . . . .	113	104	105	108	108	106
Poland . . . . .	124		122	..	..	..
Spain . . . . .	106	108	102	102	..	..
Sweden . . . . .	..	..	..	..	105	101
United Kingdom . . . . .	107	107	107	107	109	104
Total of countries listed . . . . .	117	115	111	110	109	102
U.S.S.R. . . . .	123	120	117	120	122	106

Sources : The index numbers for each country are derived from Table I in the section "European Economic Statistics", with the exception of those for Hungary and Poland, which were taken from *Statistikai Szemle* and *Gospodarka Planowa*, respectively.

Soviet Union and in the two other eastern European countries for which figures are available. It was satisfactorily high in the United Kingdom, Norway and Denmark, and similarly high, but reduced, in the Netherlands, while in Sweden progress continued at a lower rate. In the Netherlands, the decrease in output in comparison with the fourth quarter of 1949 was probably largely seasonal and appears to have been due to a large fall in food processing.

The level of production in Italy and Greece was maintained at the post-war peaks and the usual seasonal fall was avoided. Thus, in these two countries the improvement was considerable in comparison with the situation a year ago. The level of production in western Germany was also substantially higher than a year ago, when, however, it was still very low. In Austria, the rapid expansion which had been under way for some time came to a halt, and there was some

indication of a weakening of home demand. In Belgium, the textile industries have increased their output, partly as a result of the opening of the Dutch market for Belgian exports ; the steel industry continued production at a low level—though above that of last summer—and output in engineering remained depressed. On balance, the over-all index for Belgium remained unchanged compared with the last quarter of 1949. In France, strikes in March, concentrated in the metals and engineering industries, probably held aggregate industrial output for the quarter at least 4 per cent lower than might otherwise have been expected. Although in April and May the index of production was back to its previous level, no progress is shown in comparison with the preceding year. In Switzerland, production continued to decline moderately, as far as can be judged from data on industrial employment.



Table 2

SUMMARY INDICATORS OF ECONOMIC ACTIVITY IN EUROPE <sup>a</sup>

Index numbers — corresponding quarter previous year = 100

Item	1949				1950
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
General index of industrial production . . . . .	117	115	111	110	109
Engineering industries . . . . .	123	122	118	114	108
Chemical industries . . . . .	115	114	107	108	109
Textile industries . . . . .	112	116	111	114	114
Building material industries . . . . .	109	112	110	111	110
Coal . . . . .	109	105	105	110	105
Electric power . . . . .	107	106	105	108	112
Crude steel . . . . .	126	121	112	107	105
Motor vehicles :					
Passenger . . . . .	139	139	150	168	150
Commercial . . . . .	131	129	123	114	111
Cement . . . . .	115	123	117	121	113
Cotton yarn . . . . .	113	115	114	113	115
Wool yarn . . . . .	113	112	111	108	112
Rayon filament yarn and staple fibre . . . . .	148	140	123	119	120

Sources : The figures are derived from Tables I to V and VII to XI in the section "European Economic Statistics" ; *Monthly Bulletin of Statistics*, United Nations, and national statistics.

<sup>a</sup> Excluding the U.S.S.R.

Figures for different sectors of industry and for major commodities are given in the Statistical Appendix <sup>1</sup> and the results are summarized in Table 2. Compared with the previous quarter, the whole rise in output appears to have been concentrated in the textile and chemical industries. The output of the textile industries was 14 per cent higher than a year ago, and in most countries production compared favourably with the preceding quarter, except in Italy, where output did not rise, and in western Germany, where there was only a modest increase. The particularly high rate of increase for rayon yarn and rayon fibre is mainly accounted for by the United Kingdom and western Germany, in each of which production increased by about 35 per cent during the last year, while in Belgium, France and Italy it remained below or at about the level of a year ago.

In contrast to textiles, output in the engineering industries failed to increase compared with the preceding quarter. Even if allowance is made for the effects of the strikes in France, the rate of expansion appears to be considerably lower than during previous years. Among the major industrial countries of

western Europe, only the United Kingdom continued to show a steady expansion. Steel production recovered somewhat in Belgium, Luxembourg and western Germany, where a setback had occurred in 1949. In western Germany the yearly rate of output of crude steel in March for the first time surpassed the limit of 11.1 million tons established by Allied agreement ; the further expansion of output is therefore dependent on political decisions.

Coal production continued to increase at much the same rate as during the preceding year, and the supply situation is now satisfactory. Imports of coal from the United States virtually disappeared in the first quarter of 1950, <sup>2</sup> and prices in the European coal trade tended to weaken. The expansion in electricity output was speeded up as more new plant came into operation, and lack of electric power has not been a limiting factor for industrial production as was the case in some countries in the second half of 1949. The output of building materials, though seasonally low, was considerably higher than a year ago.

<sup>2</sup> Imports of coal from the United States to Europe came to 118,000 tons as against 3,291,000 tons in the first quarter of 1949.

<sup>1</sup> See Tables II to V and VII to XII.

Table 3

INDICATORS OF PRODUCTION IN EASTERN EUROPEAN COUNTRIES FOR FIRST QUARTER 1950

Index numbers — first quarter 1949 = 100

Product	Bulgaria	Hungary	Poland	Rumania	U.S.S.R.
Index of industrial production . . . .	122	147	..	..	122
Coal . . . . .	..	..	109	111	112
Lignite . . . . .	104	120	103	111	
Electric power . . . . .	136	121	115	109	118
Mineral oil . . . . .	—	103	105	113	116
Crude steel . . . . .	—	121	109	109	117
Textiles : cotton . . . . .	119	108	116	123	110
wool . . . . .		108	121	131	107
silk and rayon . . . . .		116	127	124	132
Cement . . . . .	161	209	101	121	128

Sources: The figures have been taken from *Rabotniceszko Djelo*,

1 May 1950; *Szabad Nép*, 4 May 1950; *Rzeczpospolita*, 22 April 1950; *Scanilla*, 30 April 1950; and *Pravda*, 27 April 1950.

In the Soviet Union, the quarterly plan of production was more than fulfilled in a number of industries, but there were shortfalls elsewhere, especially in the oil industry.<sup>1</sup> The other countries of eastern Europe all reported fulfilment of their quarterly plans. In Poland, difficulties were experienced in the production of pig-iron and bricks, and in the light industries. In Czechoslovakia, precision engineering and production of motor vehicles fell short of the target, and the supply of spare parts also caused difficulties; the output of steel was limited by a shortage of refractories. In Roumania, as in the Soviet Union, the main difficulty arose in the oil industry.

These difficulties arose in the course of rapidly expanding production and can be explained by a somewhat uneven development in different sectors of industry. In Table 3 the available data are brought together with a view to indicating the rate of progress in the planned economies of eastern Europe in the first quarter of the year by comparison with the situation a year ago.<sup>2</sup> As is apparent from the table, the expansion in the output of basic commodities was smaller than the rise in the over-all indices of production. But the output of finished commodities, especially in engineer-

ing, is reported to have risen even faster, and the effect of this on the general indices tends to be accentuated by the difficulties inherent in including such commodities in the construction of index numbers. The figures reflect, of course, the output of industry proper, and the expansion in the corresponding output of handicrafts is likely to have been smaller. Indeed, certain trades, such as tailoring, were reorganized from a handicrafts basis to a manufacturing industry, and the output of handicrafts may even have fallen.

#### Unemployment

Apart from ordinary seasonal movements, no significant changes in the unemployment situation in the first quarter of 1950 appear from the data given in Table 4. Although virtually full employment continued in France, the gradual change in the conditions of the labour market was apparent from the continued slow rise in the number of unemployed and in the number of applicants per vacancy registered. In Switzerland, industrial employment fell further and unemployment rose seasonally. By the end of the quarter, unemployment remained distinctly higher than a year ago. Even so the number of unemployed was low, but the figures refer to Swiss residents only, and the number of foreign workers decreased by 15,000 from February 1949 to February 1950.

An unemployment problem, although not of serious proportions, arose in 1949 in Denmark, Finland and

<sup>1</sup> No percentage fulfilment of the plan was given for textiles and for industry as a whole.

<sup>2</sup> The table does not include Czechoslovakia, for which no comparable data were published, and Yugoslavia, which publishes only half-yearly reports.

**Table 4**  
**THE NUMBER OF UNEMPLOYED**  
*Thousands*

Country	Fourth quarter 1948	First quarter 1949	Fourth quarter 1949	First quarter 1950
Norway . . . . .	7	12	8	15
Sweden . . . . .	28	41	26	39
United Kingdom . .	317	350	311	355
France . . . . .	23	31	44	55
Netherlands . . . .	45	75	64	97
Switzerland . . . . .	5	11	10	20
Austria . . . . .	57	115	85	163
Denmark . . . . .	60	95	67	94
Finland . . . . .	4	32	33	55
Ireland . . . . .	33	41	30	35
Belgium . . . . .	124	173	203	205
Italy . . . . .	..	1,880*	1,593	1,839
Germany : U.K./U.S. Zone . . . . .	734	963	1,332	1,723

Sources : The figures have been taken from national statistics.

NOTE. — The quarterly averages for each country (with the exception of Ireland) include all fully unemployed wage and salary earners in all sectors of the economy, including agriculture.

Austria.<sup>1</sup> In Denmark, unemployment rose considerably in the beginning of the year ; since the end of the quarter it has fallen to lower levels than last year, and virtually full employment may prevail during the summer. Denmark continues, however, to be faced with a persistent problem of winter unemployment. In Finland, following devaluation, market conditions gradually improved and unemployment fell continuously during the quarter. The situation deteriorated in Austria, where unemployment rose from 63,000 in October to 189,000 in February, after which it declined to 148,000 in March. This increase was larger than the seasonal rise a year ago, and it is partly due to a delay in the execution of investment programmes and to the secondary effects of seasonal unemployment in building. In view of the levelling-off of production, there is some danger that unemployment will become a major problem in Austria.

In the group of countries which are faced with a serious unemployment problem—Belgium, Italy, western Germany—no signs of substantial improvement were as yet evident if seasonal movements are taken

into account. There was no significant change in Italy, and the variation in the figures from the beginning of 1949 to the first quarter of 1950 may be partly due to changes in statistical procedures. In Belgium, the index of employment in the main industries fell somewhat, but employment in building, although slightly lower for seasonal reasons than in the preceding quarter, was substantially higher than in the same period of 1949, especially in the public sector. The quarterly average of unemployment figures was the same as in the preceding quarter, although there was a seasonal rise and fall during the six months' period. Productivity in Belgian industry was considerably higher than a year ago, and unemployment may increase even further, unless measures are taken to expand aggregate industrial output.

In western Germany, unemployment rose to a peak of over 2 millions in February, but by May it had fallen below 1.7 million<sup>2</sup>. The rise was probably higher than could be accounted for by seasonal factors, and the fall, so far, somewhat less than expected. Although there was no change in the amount of industrial employment compared with the previous quarter, total employment fell by 250,000 during the quarter, and by March it was lower than at the time of the monetary reform. The decrease in employment in the first quarter of 1950 was particularly pronounced in building and related trades. Although this decrease was seasonal, its magnitude (some 88,000 from December 1949 to March 1950) shows that the necessary expansion in building has not yet taken place. In fact, employment in the building industry hardly increased in relation to the same period of 1949. The fall in the output of building materials in January and February was greater than could be accounted for by seasonal factors. However, applications for building licences showed a large increase in March, and the production of building materials and building activity recovered by April. Progress in industry has been sustained since the seasonal decline in January. The production of investment goods, stimulated by foreign demand, was particularly satisfactory. In April and May, a further increase in production took place. It remains to be seen whether the rate of increase in production will be sufficient not only to offset the labour-saving effect of rising productivity (which is still lower than before the war) but also to bring about a substantial reduction of unemployment.

<sup>1</sup> See the *Economic Survey for Europe in 1949*, p. 61, *et seq.* In all further references, this document will be referred to as the SURVEY.

<sup>2</sup> The figure refers to the three western zones of occupation.

### *Agricultural Production*

Although it is too early to make any quantitative forecasts, there are reports from most parts of Europe, including the Soviet Union, that the area sown is larger than a year ago, and that weather conditions up to the end of June were about average or better. A good harvest is expected in all countries. In Hungary, for instance, it is thought that last year's harvest of wheat and barley will be surpassed by half a million to a million tons. The good harvest forecast for the Balkan countries will follow several bad seasons. In Spain, the harvest will be above average and is expected to be much better than a year ago. In Greece, the improvements since the end of the civil war are significant. In western Germany, some increase in the area sown has taken place, and the area under sugar in particular has greatly expanded. Further, indications can be found that the distribution of agricultural land amongst different crops is becoming more normal as a result of general recovery.

These improved conditions are also associated with a larger supply of agricultural machinery and of fertilizers, the recent increase being especially great in eastern European countries and the Union of Soviet Socialist Republics.

For a number of countries regular information is available on the main items of livestock production, as is shown in Table XIII. The improvements in production in most countries are significant as compared with last year, especially in western Germany. Production of meat and milk has increased everywhere, and a larger proportion of milk supplies can now be turned into butter and cheese. Further improvements can be hoped for, as the condition of pastures is good.

### *Prices and Wages*

Developments in prices since the autumn of 1949 have been influenced by two main factors. First, the devaluation of most European currencies, through changes in import prices, has raised prices in the countries which devalued to a large degree and lowered prices in other countries. Second, in a few countries, there were important rises in food prices as a result of the reduction of subsidies or the abolition of controls.

Although the effect of changes in subsidies was important on particular prices, the over-all effect on the cost of living was small and could be easily com-

pensated by a rise in wages. In Poland, for instance, the prices of meat and of textiles were raised substantially on 1 January, but this was compensated by an increase of 5 per cent in wages and by adjustments in family allowances. The measures which caused these large changes in relative prices were part of a consistent policy to bring prices nearer to costs. On the other hand, rises in the general level of prices caused by devaluation are not so easy to compensate by increases in wages where real income has been reduced as a result of a deterioration in the terms of trade.

In Denmark, Finland and the Netherlands, as shown in Table 5, the cost of living has risen between the time of devaluation and April 1950. To a large extent, this rise was due to higher food prices as a result of the abolition of subsidies and lifting of controls. In Norway and the United Kingdom, the increase in food prices is a result of higher import prices together with a policy limiting the total of food subsidies. Sweden is the only country where, so far, food subsidies have been increased and indirect taxes reduced so as to keep prices stable; this policy was facilitated by the country's strong budgetary position. In Italy and Belgium, which devalued only moderately, and in Switzerland, which did not devalue at all, wholesale prices as well as the cost of living remained stable or declined slightly. In spite of a considerable devaluation, the price level was unchanged in western Germany also. It seems that the price effect of devaluation in western Germany has so far been offset by a continued pressure on prices due to a general deficiency of demand, together with a drop in some farm prices as supplies improved. In Austria, import prices rose after devaluation, affecting especially prices of textiles, but the retail prices of several commodities imported under foreign aid have not yet been changed.

Approximate estimates of wage movements since devaluation are also given in Table 5. It appears that real wages, as measured by the figures given in the table, have been maintained or even increased in the face of devaluation in Denmark, Finland, France and Sweden. The slight decrease in the Netherlands, Norway and the United Kingdom may be temporary as wage increases have been delayed.

However, the effects of devaluation on prices have been comparatively small so far, and further increases are likely to take place later during the year as the



**Table 5**  
**INDEX NUMBERS OF COST OF LIVING AND WAGES**  
*August 1949 = 100*

Country	COST OF LIVING				WAGE RATES (approximate figures)
	Total		Food	Clothing	
	Dec. 1949	April 1950	April 1950	April 1950	April 1950
Austria . . . . .	106	99	95	110	101
Denmark <sup>a</sup> . . . . .	102 <sup>b</sup>	104	112	107	104-105
Finland <sup>c</sup> . . . . .	106	109	115	109	120 <sup>e</sup>
Netherlands . . . . .	105	110	111	110	105
Norway <sup>f</sup> . . . . .	100	103	105	102	100
Sweden <sup>f</sup> . . . . .	99	100 <sup>d</sup>	100 <sup>d</sup>	101 <sup>d</sup>	100
United Kingdom . . . . .	102	103	105	100	101
France . . . . .	105	109	115	103	109
Germany : western zones . . . . .	100	99	100	94	102
Belgium . . . . .	100	97	95	101	101
Italy . . . . .	97	97	96	94	102
Switzerland . . . . .	99	98	99	95	100

Sources : The index numbers of cost of living are derived from national statistics. Indices of wage rates are estimates based on national sources.

<sup>a</sup> July 1949 = 100.

<sup>b</sup> January 1950.

<sup>c</sup> June 1949 = 100.

<sup>d</sup> March 1950.

<sup>e</sup> May 1950.

<sup>f</sup> September 1949 = 100.

full effects of devaluation make themselves felt. Consequently, wage-price relationships are still unsettled in most countries. In Norway, wage negotiations are to be resumed in September ; in Sweden, the present agreement on the stabilization of wages and prices will expire at the end of the year ; in Denmark, the two-year agreement on wages made in March provides for an immediate increase of 3 to 4 per cent in wages and for further adjustments if prices rise ; in the United Kingdom, the formula of absolute wage stabilization propounded shortly after devaluation is being replaced by a less rigid policy under which a slow increase in wages is likely to take place.

In Belgium, western Germany, Italy and Switzerland, real wages increased slightly during the last six months as the combined result of slowly falling prices and constant or slowly rising wages.

Since the beginning of 1950, further steps have been taken to abolish physical controls as supplies continued to improve and, in some cases, as subsidies were lowered. In the United Kingdom, food rationing is now confined to a few major commodities, petrol rationing has been abolished, and the allocation of

steel largely abandoned. In western Germany, sugar rationing was abolished, Norway ceased to ration margarine, and Denmark and the Netherlands solid fuel.

Some of the smaller countries have special problems of adjustment which were aggravated by devaluation. This is particularly true of Norway, whose big investment programme has had to be financed largely by foreign resources. Norway has proposed comprehensive measures to deal with the problems created by the continuance of a heavy balance-of-payments deficit and the difficulties created by trade liberalization. Until recently, the cost of living and consequently wages had been kept stable by heavy subsidies on basic foodstuffs and other consumers' goods which made the cost of food in terms of working time one of the lowest in Europe.<sup>1</sup> This policy was modified in April, and subsidies are stabilized somewhat below the total paid in 1949. Although considerable increases took place in the prices of bread, margarine, butter, coffee and textiles, the prices of necessities still compare favourably with those in other countries.

<sup>1</sup> See the SURVEY, Table 28, p. 37.

An attempt is being made to stagger workers' holidays in order to eliminate undue seasonal changes in production. Housing repairs, which were excessive, are being discouraged by changes in tax legislation, and a further shift is taking place in investments so as to promote an improvement in the balance of payments. In Finland, after two years of relative stability, wages were raised by about 7 per cent in January and 15 per cent in May 1950. Considerable increases of prices for farm products are likely to follow and, as wages are tied to the cost of living, further increases in wages would then take place. Finland is thus again facing the problem of inflation. In order to curb the inflationary tendencies, a tightening of banking and fiscal policy is under consideration.

As in Finland, free collective wage bargaining was also reintroduced in France early in 1950. The Netherlands now remains the only western European country where Government regulation of wages continues. The wage increases which took place have maintained real wages in France at the level of August 1949, when they were seasonally high. At the same time consumers' expenditure in France is returning to a more normal pattern. A higher proportion of incomes is now absorbed by rent and the public utilities as prices have been brought somewhat nearer to costs. The volume of food sales in the first quarter is estimated to have been about 10 per cent higher than a year ago, and the quantity of fuel consumed on the roads has increased considerably since petrol rationing was abolished. Consequently, the demand for industrial consumers' goods stagnated or even decreased. The recent rise in real wages may contribute to a new expansion in demand and in industrial production.

In the planned economies of eastern Europe, real wages continued to increase, but in some cases the increases may have been too fast in relation to the supply of consumer goods available. In Hungary, for instance, after a considerable period of falling labour costs, money wages have risen by 13 per cent in the first four months of the year, causing a rise in labour costs. The rise in wages, coupled with greatly expanded employment in industry and a 4 per cent reduction in the cost of living, put pressure on resources. This hindered the investment programme and caused a sharp deterioration in the balance of payments; imports rose by 56 per cent and exports by only 1 per cent compared with a year ago. The consumption of basic foodstuffs has increased to such an extent

that exports have been hindered and the number of livestock may even have been reduced.

The state budget of the Soviet Union for 1950 provides for an almost complete balance between total expenditure and total revenue, including loans from the public, in contrast to the budgets of the two first years following the monetary reform, when rather large surpluses of revenue were provided for. Although available information is incomplete, the change from a surplus to a balanced budget in the Soviet Union may be taken as an indication that an equilibrium position has been reached, so that it is no longer thought necessary to sterilize surplus purchasing power through the budget.

### *General Trends in Europe's Trade*

Following immediately upon the devaluation of many European currencies in September 1949, the preceding stagnation of Europe's trade during the summer of 1949 gave way to substantial increases in exports—both to overseas and to other European countries—while imports from overseas declined sharply.<sup>1</sup> This development was not wholly the result of devaluation; apart from seasonal influences, which are usually favourable to the expansion of trade in the fourth quarter, the beginning of trade liberalization among western European countries contributed heavily to the increase in their trade with one another.

In the first quarter of 1950, trade did not change very much from the preceding quarter in either value or volume. The volume of exports to overseas and to European markets appears to have increased very slightly, while imports from overseas remained steady;<sup>2</sup> this was accompanied by small increases of prices in overseas trade. Imports from overseas usually tend to increase in the first quarter of the year, and exports of many foodstuffs and forest products (mainly for intra-European trade) fall to low levels. Viewed in this light, the general trend of trade in the first quarter seems relatively favourable.

<sup>1</sup> See the SURVEY, Table 52, p. 73. It now seems that the increase in exports to overseas between the third and fourth quarters of 1949 was somewhat greater than previously estimated.

<sup>2</sup> A special calculation was made for Europe as a whole in continuation of Table 52 in the SURVEY. Table XVII in the section "European Economic Statistics" shows the trade of ten major countries only and exhibits different results, especially for intra-European trade. This is mainly due to the fact that the trade of the smaller European countries, which are not included in Table XVII, is chiefly with other European countries and is affected by seasonal factors to a much larger degree.



An important feature of the improvement in Europe's trade position was the continued reduction in its deficit with the United States, as may be seen in Table 6, showing the balance of payments between that country and other major areas. In the

first quarter of 1950, Europe's deficit on goods and services account with the United States was running at an annual rate of \$2.1 billion, or somewhat less than in the preceding quarter and 40 per cent less than in the first quarter of 1949.

**Table 6**

**DOLLAR RECEIPTS AND PAYMENTS OF EUROPE AND OTHER AREAS IN TRANSACTIONS WITH THE UNITED STATES AND THROUGH MULTILATERAL SETTLEMENTS**

*Millions of current dollars*

Transactions	Year and quarter	Europe	Overseas sterling area (including British colonies)	European dependent overseas territories (excluding British colonies) <sup>a</sup>	Canada	Latin American republics	Other overseas countries <sup>b</sup>	TOTAL
<b>I. With the United States :</b>								
<b>A. Goods and services (net)</b>								
	1949 - I	- 913	- 76	-42	-148	-195	-399	-1,773
	IV	- 609	- 34	-11	- 54	-115	-282	-1,105
	1950 - I	- 527	+ 52	- 6	- 54	+ 47	-165	- 653
<b>Balance on trade account</b>								
	1949 - I	- 913	- 47	-30	- 87	-108	-303	-1,488
	IV	- 662	+ 15	- 5	+ 7	+ 26	-215	- 834
	1950 - I	- 546	+ 74	+ 1	+ 5	+119	-109	- 456
<b>Imports from the United States</b>								
	1949 - I	1,276	312	120	470	782	488	3,448
	IV	948	212	90	438	612	364	2,664
	1950 - I	852	195	84	398	599	296	2,424
<b>Exports to the United States</b>								
	1949 - I	363	265	90	383	674	185	1,960
	IV	286	227	85	445	638	149	1,830
	1950 - I	306	269	85	403	718	187	1,968
<b>Balance on service account</b>								
	1949 - I	-	- 29	-12	- 61	- 87	- 96	- 285
	IV	+ 53	- 49	- 6	- 61	-141	- 67	- 271
	1950 - I	+ 19	- 22	- 7	- 59	- 72	- 56	- 197
<b>B. Unilateral transfers (net)</b>								
	1949 - I	+1,166	+ 3	-	+ 8	+ 12	+332	+1,521
	IV	+ 978	+ 5	-	+ 5	+ 12	+212	+1,212
	1950 - I	+ 899	+ 3	+ 1	+ 3	+ 10	+204	+1,120
<b>C. Long-term capital movements (net)</b>								
	1949 - I	+ 266	+ 7	- 1	+ 48	+138	+131	+ 589
	IV	+ 10	+ 22	+ 4	- 48	+129	+ 53	+ 170
	1950 - I	+ 39	+ 7	+ 3	+ 1	+ 99	+ 30	+ 179
<b>D. Short-term capital movements (net)</b>								
	1949 - I	- 47	+ 2	- 2	- 77	- 8	- 15	- 147
	IV	- 207	+ 5	+17	- 39	-107	+160	- 171
	1950 - I	- 194	+ 20	-16	+ 6	- 26	- 45	- 255
<b>E. Gold movements (net)</b>								
	1949 - I	+ 4	+ 69	- 5	+ 5	+ 9	- 13	+ 69
	IV	- 44	+ 20	- 5	+ 2	- 71	- 67	- 165
	1950 - I	- 128	+ 2	- 1	+ 1	- 35	- 42	- 203
<b>II. Multilateral settlements and errors and omissions (net) <sup>c</sup></b>								
	1949 - I	- 476	- 5	+50	+164	+ 44	- 36	- 259
	IV	- 128	- 18	- 5	+134	+152	- 76	+ 59
	1950 - I	- 89	- 84	+19	+ 43	- 95	+ 18	- 188

Sources: Rearranged from figures obtained from the International Economics Division, United States Department of Commerce.

NOTE.—Data given in this table include revisions in 1949 data. Figures for 1950 are provisional. All signs are reversed as compared with the original source in order to present data from the standpoint of areas specified rather than from that of the United States.

<sup>a</sup> Excluding Spanish dependent overseas territories.

<sup>b</sup> Including international institutions and Spanish dependent overseas territories.

<sup>c</sup> Figures in the last three rows represent, in the case of Europe, the excess of dollar funds obtained from the United States (including receipts through drawings on gold and dollar balances) over the amounts required for recorded payments of all types to the United States, the difference being presumed to indicate net dollar transfers to other areas. The final figures in the last three rows, under "Total", represent the net effect of all errors and omissions in the estimates. If there were no such errors and omissions, all other credit and debit entries would cancel out.

The improvement in Europe's balance of payments with the United States has been almost wholly due to the drastic decline in imports from that country. The same factor also fully accounts for the general decrease in the deficits of other areas with the United States, as may be seen in Table 6. The fall in imports of American goods has been especially marked in countries which have been heavily dependent on United States aid, such as western Germany and the Philippines. Throughout the world generally, however, recent trends have been in the direction of a closer bilateral balancing of accounts with the United States, and there seems to have been a sharp contraction in the volume of multilateral dollar transfers, especially from Europe to overseas areas. E.R.P. aid to western European countries is thus increasingly concentrated on covering their direct dollar deficits with the United States. While for this purpose they remain heavily dependent on extraordinary dollar financing, the improvement in their trade position has nevertheless permitted some recovery of the losses previously experienced in their gold and dollar reserves, as indicated by the data on gold and short-term capital movements in Table 6.<sup>1</sup>

#### *Imports of European Countries*

Divergent developments in the trade of individual European countries, which characterized 1949, were apparent also in the first quarter of 1950, as is seen in Table XVI. The imports of France, the Netherlands, Italy, Denmark and Norway showed remarkable increases, but the imports of other countries declined and the European total was only slightly above that of the preceding quarter.<sup>2</sup> In Italy, this increase followed particularly low imports in the fourth quarter of 1949, and, in the half-year following devaluation, Italian imports were at a lower rate than in any of the preceding three quarters. The increase in imports of the other countries mentioned is partly the result of liberalization of trade between western European countries. But their imports from overseas also increased sharply, in spite of the substantial devaluation of their currencies; it must be remembered, however, that a large proportion of these imports came from countries which have also devalued.

<sup>1</sup> The minus signs attached to these items designate the use of funds for additions to reserves and other balances.

<sup>2</sup> These figures and comments exclude reference to trade between the eastern European group of countries, for which only fragmentary information is available.

The decline in the imports of other countries was largely seasonal. Imports into western Germany were high in the fourth quarter of 1949 as a result of the introduction of a liberal import policy; but, after re-stocking, imports receded, though they were still some 20 per cent in excess of their level before liberalization. In Belgium and Switzerland also, the decline followed substantial increases which took place immediately after the realignment of currencies, following a period of stagnating or declining imports; however, both the increase and the subsequent decline partly represent seasonal factors.

Seasonal factors also explain part of the decline in east-west trade in both directions, especially the decline in exports from the Soviet Union, as shown by Table XVII. But after the devaluation of most western European currencies, many eastern European exports—especially Polish coal and Czechoslovak manufactures—became more difficult to market.

#### *Effects of Devaluation on European Exports*

As a first consequence, devaluation has led to a considerable fall, measured in terms of dollars, in export prices of those countries which have devalued their currencies; this is shown in Table XV.<sup>3</sup> This decline occurred in spite of the fact that export prices in terms of national currencies have in most cases increased, as is apparent from the table. This increase was greatest in the Netherlands and Sweden, but even in these countries the magnitude of the increase was small in relation to the degree of devaluation. Export prices in Denmark, Belgium and western Germany have, however, declined, even in their own currencies, in spite of devaluation. In the case of Denmark, prices of agricultural produce paid by the United Kingdom under bulk purchase contracts have fallen independently of devaluation;<sup>4</sup> in western Germany and Belgium, costs were falling as a result of increases in productivity. Swiss export prices have also fallen, mainly under the impact of competition. Thus the

<sup>3</sup> Data on the prices of exports and imports, presented in the table, should be interpreted with caution. Comparison between different countries may be misleading, as different methods are used for the construction of index numbers. In cases where price index numbers are based on market quotations, these change sooner than the actual cost of current exports and imports, which for a period reflect the old prices. In cases where index numbers of unit values were derived from indices of volume, the results refer to the average price of current imports or exports, and movements in the figures may be due to changes in the composition of trade from month to month.

<sup>4</sup> See the SURVEY, Table 85, p. 158.

Table 7

## VOLUME OF EXPORTS OF EUROPEAN COUNTRIES AND THE UNITED STATES BY AREA OF DESTINATION

Index numbers — October 1948-March 1949 = 100

Area of destination Country	Europe		Western Hemisphere		Rest of world		Total exports		Export price in dollars (July-Sept. 1949 = 100)
	Apr.-Sept. 1949	Oct. 1949-Mar. 1950	Apr.-Sept. 1949	Oct. 1949-Mar. 1950	Apr.-Sept. 1949	Oct. 1949-Mar. 1950	Apr.-Sept. 1949	Oct. 1949-Mar. 1950	1950 First quarter
Denmark . . . . .	112	133	61	122	97	106	109	131	65
Norway . . . . .	96	109	77	143	89	116	93	114	71
Germany : western zones . .	123	170	115	209	139	184	124	174	72
United Kingdom . . . . .	91	117	80	107	102	105	95	109	72
Belgium-Luxembourg . . .	103	97	66	86	95	84	95	93	77
Sweden . . . . .	113	123	117	175	96	104	111	127	80
Netherlands . . . . .	109	150	104	113	105	99	108	136	79
France . . . . .	120	131	91	214	105	110	110	127	83
Italy . . . . .	118	152	56	68	120	76	98	107	93
Switzerland . . . . .	96	104	95	94	77	73	93	97	93
Total of countries listed	106	127	80 <sup>a</sup>	113 <sup>a</sup>	103	104	101	117	77
United States . . . . .	102	86	97	88	106	87	100	85	97

Sources : The index numbers for each country are derived from national statistics. For details of the method of computation, see "Notes to the Statistics".

<sup>a</sup> The volume of exports to the United States was 72 and 116 for the periods April-September 1949 and October 1949-March 1950, respectively, while that to the other countries of the Western Hemisphere was 84 and 111 for the same periods.

export prices in terms of dollars of all European countries for which data are available are lower than before devaluation.

As a result of these changes, the competitive position of European countries has shifted considerably, not only in relation to the United States, but also in relation to one another. The decline in dollar export prices has been only about 7 per cent in Switzerland and Italy; it was of the order of 20 per cent in Sweden, France, Belgium, and the Netherlands, 30 per cent in the United Kingdom, Norway and western Germany, and even more in Denmark, Finland and Austria.

It is very difficult to determine how far changes in the volume of exports have been due to changes in prices. Apart from uncertainties in the statistics, one must bear in mind that some of the changes were due to seasonal factors, and for this reason it is too early to come to definite conclusions. In addition to devaluation, moreover, other factors had a strong influence on exports during the six months following devaluation, including the liberalization of trade<sup>1</sup> in western

<sup>1</sup> Liberalization of trade is here used to refer not only to the specific O.E.E.C and bilateral agreements, but also to the more generous granting of import licences.

Europe, the tightening of import restrictions in some overseas countries, and the great improvement in business conditions in the United States. These factors should be taken into consideration when interpreting the data in Table 7, which shows European exports by destination.<sup>2</sup> Important differences are noticeable between the development of European exports to the Western Hemisphere and to other overseas areas. The ten major trading countries shown in the table exported nearly 15 per cent more to the Western Hemisphere in the half-year following devaluation than in the corresponding period a year ago, and the increase over the half-year immediately preceding devaluation was as much as 40 per cent. In contrast, exports to other overseas areas remained practically constant during the last eighteen months.

<sup>2</sup> In order to calculate the volume of exports by importing areas, it was assumed that changes in the export prices of each country since devaluation were identical for each of the areas of destination. This may, of course, give misleading results in cases where the composition of exports to various areas is widely different, in view of the fact that export prices for different commodities may have shown divergent movements. This qualification may apply particularly to the exports of the smaller countries which have a specialized trade with each area.

Thus, the decline in European export prices of 20 to 25 per cent was associated with an increase of almost one-half in the volume of exports to the Western Hemisphere and with little change in exports to other overseas markets. The currencies of non-American overseas countries were, however, also devalued for the most part, and therefore European exports were not cheapened from the point of view of these countries. But European exports improved relatively to those of the United States in all markets. European exports to Western Hemisphere countries outside the United States increased by 30 per cent in the half-year following devaluation as against the preceding half-year, while exports from the United States declined.<sup>1</sup> In other overseas markets, although European exports remained almost unchanged, United States exports declined by 18 per cent. In Europe, while a considerable increase in intra-European trade took place, imports from the United States declined by 16 per cent.

At the same time, there was a shift in the origin of Europe's overseas exports in favour of those European countries whose export prices have shown the greatest declines, in terms of dollars, as indicated by the following figures derived from Table 7:

Country	Export prices in dollars Jan.-March 1950 (July-Sept. 1949 = 100)	Volume of exports Oct. 1949-March 1950 (April-Sept. 1949 = 100)	
		To Western Hemisphere	To other overseas countries
Denmark . . . . .	65	200	109
Norway . . . . .	69	186	130
Germany : western zones	72	182	132
United Kingdom . . .	72	134	103
Belgium-Luxembourg . .	73	130	88
Sweden . . . . .	80	150	108
Netherlands . . . . .	80	109	94
France . . . . .	83	235	105
Italy . . . . .	93	121	63
Switzerland . . . . .	93	99	95

In spite of the influence of factors other than devaluation, a distinct relationship can be observed between the change in export prices and that in the volume of overseas exports compared with the months immediately preceding the currency changes. Exports from France and Sweden seem to have risen

<sup>1</sup> There was, however, already before devaluation, an increasing trend in European exports to the Western Hemisphere. See the *Economic Bulletin for Europe*, Vol. I, No. 3, pp. 6-7.

somewhat more than can be explained by the fall in prices. In the case of France, this is mainly due to the bilateral agreement with Argentina—French exports to the United States and Canada were only some 10 per cent higher than a year ago. The extent of the rise in Swedish exports to the Western Hemisphere is attributable to the high United States demand for wood-pulp.

No such simple relationship between prices and volume of exports can be observed in intra-European trade, as factors other than devaluation—such as trade liberalization and the recovery of western German industrial production—overshadow or distort the effects of price changes. Western Germany, the Netherlands and Italy show the greatest increases in exports to European markets, as seen in Table 7. At the other extreme, the relatively unfavourable export showing of Switzerland and Belgium on European markets is due not only to the greater extent of price reductions by competing countries, but also to the maintenance of restrictions against goods requiring payment in scarce currencies.

This is not to say that price developments had no influence on trade; that influence was noticeable on the Swiss market, where imports of manufactures are not subject to licensing. As shown in Table 8, British and German products have tended to displace the products of countries whose export prices have fallen relatively little.

#### *Trade by Commodities*

The evolution of European exports by main commodities during the last quarter of 1949 and the first quarter of 1950, as may be seen in Tables XVIII and XIX, appears to show some evidence of the effects of devaluation, especially on industrial materials. Exports of coal from the United Kingdom and western Germany have increased at the expense of Poland, and exports of newsprint from Finland, which had two successive devaluations in 1949, have tended to improve as compared with exports from Sweden and Norway. Exports of steel from France, the United Kingdom, and western Germany have also shown much better results than those from Belgium, although the effect of differing degrees of devaluation may have been reinforced by other influences, including the relative scarcity of Belgian francs.

The effects of devaluation on exports of food from European countries are not so clear. Increased



Table 8

THE PATTERN OF SWISS IMPORTS BEFORE AND AFTER DEVALUATION OF EUROPEAN CURRENCIES

Product	Unit	Total imports		Per cent supplied by :						Principal countries from which the percentage share of total imports declined
				United Kingdom		Germany		Other countries		
		1949 June-Aug.	1950 Jan.-Mar.	1949 June-Aug.	1950 Jan.-Mar.	1949 June-Aug.	1950 Jan.-Mar.	1949 June-Aug.	1950 Jan.-Mar.	
Passenger cars :										
under 800 kg. . . . .	Number	2,343	2,276	19	15	13	38	68	47	Italy
800-1,200 kg. . . . .	Number	3,550	4,010	22	36	19	22	59	42	France, United States
Motor cycles . . . . .	Number	2,674	3,056	34	50	21	25	45	25	Italy, Czechoslovakia
Bicycles . . . . .	Number	1,843	3,735	78	93	1	1	21	6	France, Italy, Austria
Sewing-machines . . . . .	Number	1,630	1,376	50	20	19	38	31	42	—
Machine-tools . . . . .	Quintals	13,401	15,930	18	11	28	45	54	44	Belgium, United States, Czechoslovakia
Iron tubes <sup>a</sup> . . . . .	Quintals	36,331	39,192	8	6	21	37	71	57	Italy, Sweden, Netherlands
Cotton tissues :										
Velour . . . . .	Quintals	550	808	3	7	18	15	79	78	Czechoslovakia
Printed, 6 kg. or more per 100 m <sup>2</sup> . . . . .	Quintals	423	1,127	6	15	43	30	51	55	Austria, France
Unbleached, 12 kg. or more per 100 m <sup>2</sup> . . . . .	Quintals	658	648	2	1	20	58	78	41	Austria, Belgium

Sources : The figures have been taken from *Statistique Mensuelle du Commerce Extérieur de la Suisse*.

<sup>a</sup> Specified as less than 40 centimetres in diameter, unriveted.

supplies, especially of animal products, were available in most exporting countries, notably in Denmark, and these were readily taken up during the first quarter, owing to larger imports into western Germany and the continued shortage of dollars in European importing countries. The continuing improvement in European livestock production went a long way to replace exceptional post-war imports from the Western Hemisphere by imports from the normal European suppliers.

Intra-European trade in textiles expanded sharply following the liberalization of trade, which appears to have been particularly effective in this sector where restrictions were previously severe. As a result, the influence of devaluation is not clearly distinguishable in the changes in the pattern of trade, which appears rather to reflect a shift to closer conformity with the international specialization of the industry.<sup>1</sup>

<sup>1</sup> It can be seen from Table XIX, comparing the first quarter of 1950 with the corresponding quarter of last year, that total European imports of wool and cotton yarns have more than doubled in volume. The greatest increases in imports were accounted for in France, which increased imports of cotton yarn

Exports to overseas, however, were faced with increasing difficulties, particularly for cotton textiles, owing to shrinking world demand (partly as a result of new import restrictions overseas) and increasing Japanese competition. The development of exports of individual countries was closely dependent on their particular market connections. Thus, total British exports of cotton tissues and yarn have declined in spite of higher exports to Europe, but total exports of these goods have increased from countries which devalued least. The expansion of Belgian exports is due to the

from 400 tons to 7,200 tons (of which 6,700 tons came from Italy) and western Germany, which increased imports of wool yarn from 100 tons to 2,800 tons (of which 900 tons from Belgium and 400 to 500 tons each from the United Kingdom, France and the Netherlands) and imports of cotton yarn from 500 tons to 4,500 tons (of which 1,700 tons from Belgium, 1,500 tons from Switzerland and 900 tons from the United Kingdom). Other countries, too, greatly increased their imports of yarn ; for instance, Denmark and Austria have both doubled their imports in recent months. A similar development has occurred for cotton tissues. The imports of France are more than four times as great as last year, of the Netherlands more than three times greater, and the imports of Italy and western Germany have increased from almost nothing to considerable quantities.

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Table 9

EXPORTS OF VEHICLES IN THE FIRST QUARTERS OF 1949 AND 1950

Numbers

Exporting country	Passenger cars <sup>a</sup>		Commercial vehicles <sup>a</sup>		Tractors <sup>b</sup>		Motor cycles		Bicycles	
	1949	1950	1949	1950	1949	1950	1949	1950	1949	1950
United Kingdom . . .	57,589	100,886	23,349	33,710	25,420	16,019	19,715	19,601	583,386	511,415
France . . . . .	17,266	19,353	6,621	5,976	863	828	1,338	1,214	34,165	35,528
Germany : western zones <sup>c</sup> . . . . .	1,980	9,239	435	5,981	<i>d</i>	<i>d</i>	<i>d</i>	<i>d</i>	1,000	3,209
Italy . . . . .	3,231	3,960	846	728	322	445	1,182	1,859	19,971	3,464
United States . . . .	38,646	23,514	41,547	23,579	27,039	23,975	978	426	10,449	3,640
Total of countries listed	118,712	156,952	72,798	69,974	53,644	41,267	23,213	23,100	648,971	557,256

Sources : The figures have been taken from national statistics.

<sup>a</sup> New vehicles and chassis, not including parts, whether for assembly or otherwise. For France, all chassis separately reported have been allocated to commercial vehicles.

<sup>b</sup> Excluding track-laying tractors for the United Kingdom. The United States figures relate to wheel-type tractors.

<sup>c</sup> Data for 1949 refer to the U.K./U.S. Zone only, while those for 1950 refer to the three western zones.

<sup>d</sup> Not separately indicated in trade statistics. The quantities involved are presumably small.

opening up of the Netherlands market within the framework of the Benelux agreements ;<sup>1</sup> similarly, the increase in Italian and Swiss exports was due to the opening up of the French and western German markets. Exports from Belgium, Italy and Switzerland to other markets were far less favourable, except that Swiss exports to the United States increased considerably. The surprising fall in western German exports of cotton tissues was primarily due to the virtual disappearance of imports of grey cloth into the United Kingdom for processing and re-export and of imports of finished goods into the British colonies following the recovery of Japanese production.<sup>2</sup>

Exports of engineering products continued their general upward trend. Exports of machinery from the United Kingdom, western Germany, France and Sweden increased considerably, while exports from Belgium and Italy have hardly changed since devaluation, and Swiss exports, after reaching a peak in the fourth quarter of 1949, have declined.

In exports of motor-cars, large gains were made, partly at the expense of the United States. Table 9

shows British exports of passenger cars at almost double last year's level. Practically the whole of the increase was accounted for by Australia and Canada.<sup>3</sup> Other European countries also increased their exports, though the quantities involved were smaller. World demand was still expanding for passenger cars, but not for commercial vehicles, motor-cycles, bicycles and tractors.<sup>4</sup> The gains made by the motor-car industry were therefore of special importance for the maintenance and further growth of European exports.

For durable consumers' goods other than private motor-cars, world demand seems to be declining, although it is still at high levels. This is illustrated by Table 10, which shows declining exports of durable consumers' goods from the United Kingdom, in contrast to the considerable increase in total British exports. Exports of cameras, pianos, gramophones and radios were, in spite of devaluation, considerably lower than a year ago. Other important exporters of these commodities had the same experience, and the increase in exports from western Germany was not large enough to offset these declines.

<sup>1</sup> A proportion of these imports into the Netherlands was re-exported to the United Kingdom and western Germany, the final importers thus avoiding payment in Belgian currency.

<sup>2</sup> German exports of cotton tissues to the United Kingdom were 2,200 tons and to Nigeria and the Gold Coast 1,300 tons in the first quarter of 1949. They fell to 300 tons in each case in the first quarter of 1950.

<sup>3</sup> Australia imported 40,000 cars and chassis during the quarter as against 15,000 a year ago, and Canada 18,000 as against 4,000 a year ago.

<sup>4</sup> Europe was nevertheless able to increase exports of commercial vehicles and motor-cycles, while United States exports of these products fell off.



**Table 10**  
**EXPORTS OF DURABLE CONSUMERS' GOODS**  
**FROM THE UNITED KINGDOM**

*Thousands*

Commodity	January to March	
	1949	1950
Cameras . . . . .	231	142
Pianos <sup>a</sup> . . . . .	4,172	2,892
Gramophones . . . . .	20	14
Radios and radiogramophones . . . . .	80	55
Radio loudspeakers . . . . .	180	122
Vacuum cleaners <sup>b</sup> . . . . .	13	15

*Sources:* The figures have been taken from *Accounts Relating to the Trade and Navigation of the United Kingdom*.

<sup>a</sup> Number of pianos exported.

<sup>b</sup> Thousand hundredweights.

### *The Shift in the Sources of European Imports*

It was mentioned above that, in the half-year after September 1949, a strong increase in intra-European trade took place, while imports from overseas remained at a rather low level. It can be seen from Tables XVIII and XIX that the increase in exports from European countries has considerably improved Europe's net balance of trade in such important commodities as coal, steel, timber and other forest products, compared with the position a year ago. An improvement has also taken place in cheese and eggs; but the consumption of meat, butter, and other fats and oils has risen to such an extent that imports from overseas as well as from Europe increased.<sup>1</sup>

In textiles, on the other hand, Europe's net balance is deteriorating since overseas exports of manufactures are declining, as mentioned, but imports of raw wool and cotton are running at a very high level. It must be assumed, however, that these high imports are temporary and due to re-stocking after liberalization of trade.

At the same time as there has been some shift from overseas sources of supply to European sources, there has also been a considerable shift from overseas hard-currency to overseas soft-currency suppliers. When adjustment is made for seasonal changes, it can be seen from Table XVII that imports in the first quarter of 1950 were high both from the sterling area and the dependent territories and from other overseas soft-currency countries, whereas imports from the United

States and Canada were very low. Part of the shift to soft-currency suppliers was, however, due to the fact that demand for commodities which are usually imported from these areas has greatly increased, and their prices have risen sharply. The greatest part of the increase in imports from the overseas sterling area was accounted for by a great increase in the volume, and a still greater increase in the prices of wool and rubber. As a reflection of the continued dollar shortage, British imports from Canada were on a very low level in the first quarter, even when seasonal slackness is taken into account and in spite of considerable purchases of Canadian bacon. All other European countries have also greatly reduced their imports from Canada, and Europe's import surplus from Canada was only \$62 million (U.S.) in the first quarter of 1950 against \$130 million (U.S.) a year ago.

The increase in imports from soft-currency countries and the decline in imports from Canada were common to most European countries, but the development of imports from the United States and Latin America was more diversified. A considerable part of the trade with Latin America is bilaterally balanced, and the difficulties of balancing trade sometimes give rise to great fluctuations. From the fourth quarter of 1949 to the first quarter of 1950, exports to Latin America from most European countries declined, Germany being the most important exception. Imports, on the other hand, increased in most cases, again with Germany as an exception. The result was that, excluding Germany, Europe's trade position with Latin America, which was in approximate balance in the fourth quarter of 1949, deteriorated greatly.

Western Germany also improved its trade balance with the United States, but the balances of most other countries with the United States deteriorated. Europe's exports to the United States were nearly constant from the fourth quarter of 1949 to the first quarter of 1950. Belgian exports increased considerably, particularly in steel, which nearly trebled in volume, but this was outweighed by a seasonal decline in exports from Sweden and Switzerland. On the other hand, imports of most European countries from the United States—especially those of France and Italy—increased, mainly because of large deliveries of cotton; but there was some decline in imports of United States goods into the United Kingdom and a very sharp decline in such imports into western Germany.

<sup>1</sup> As exports to overseas of these products are small, the difference between total imports and total exports reflects broadly changes in imports from overseas.

The Bizone of Germany in the last three quarters of 1949 had imported goods for about \$200 million per quarter from the United States, but imports of all three western zones in the first quarter of 1950 were only \$119 million. While the Bizone in the fourth quarter of 1949 took one-third of its total imports from the United States, the three western zones in the first quarter of 1950 took only one-fifth. This decline primarily reflects the liberalization of western Germany's imports from a number of western European countries and the more liberal granting of import licences for goods from soft-currency countries, both European and non-European. Table 11 shows, for a number of important items, the great increase in imports since the beginning of liberalization and the still more important shifts in the sources of supply. These shifts have been most pronounced for all kinds of fats and oils, which are now obtained in smaller volume

from the United States and increasingly from countries with which trade has been liberalized, among which the Netherlands is now the most important supplier. For grains, eggs, sugar, meat, wood-pulp and textiles, too, the share of the United States in German imports has declined considerably, which has made it possible to sustain the reduction in United States extraordinary financial assistance. Most countries with which no formal agreements had been concluded to lift import restrictions maintained or even slightly increased their share in the German market, because they benefited from a more liberal granting of import licences. In addition to the sharp decline in imports from the United States, imports were also reduced from Latin American dollar countries, especially from Cuba, as a result of a shift in German sugar purchases to the Netherlands.

Table 11

THE SHIFT IN SOURCES OF WESTERN GERMAN IMPORTS SINCE THE LIBERALIZATION

Commodity group	Total imports (millions of dollars)									Per cent of total imports from :											
	1949				1950			Countries from which imports have been liberalized <sup>a</sup>				United States				Rest of world					
								1949		1950	1949		1950	1949		1950	1949		1950		
	Jan.-Sept. <sup>b</sup>	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Jan.-Sept.	Oct.-Dec.	Jan.-Mar.	Jan.-Sept.	Oct.-Dec.	Jan.-Mar.	Jan.-Sept.	Oct.-Dec.	Jan.-Mar.	Jan.-Sept.	Oct.-Dec.	Jan.-Mar.		
Bread grain . . . . .	21	51	30	34	24	15	18	4	—	14	85	81	70	11	19	16					
Coarse grain . . . . .	13	20	9	21	17	7	4	—	2	1	92	71	74	8	27	25					
Edible fats and oils . . . .	9	9	4	7	9	9	13	1	27	35	52	29	19	47	44	46					
Butter . . . . .	—	—	—	4	3	4	13	—	100	93	—	—	—	—	—	7					
Cheese . . . . .	1	—	1	3	1	1	1	94	93	91	—	—	—	6	7	9					
Lard . . . . .	2	2	2	3	2	3	5	6	36	54	91	56	36	3	8	10					
Eggs and products . . . . .	1	1	2	4	7	6	7	89	89	92	8	7	—	3	4	8					
Sugar . . . . .	1	7	7	5	3	—	2	15	24	80	8	—	—	77	76	20					
Meat . . . . .	3	5	7	7	6	3	4	3	38	55	37	1	1	60	61	44					
Cotton cloth . . . . .	1	1	2	3	2	2	2	79	84	67	7	2	1	14	14	32					
Wool cloth . . . . .	1	1	2	4	3	2	3	60	56	53	1	1	—	39	43	47					
Yarn, excluding silk . . . .	3	5	6	8	8	8	7	62	63	52	1	1	—	37	36	48					
Wool, unmanufactured . . . .	8	6	6	11	13	13	15	3	6	6	5	11	—	92	83	94					
Wood-pulp . . . . .	3	1	1	3	2	2	1	60	79	78	15	2	—	25	19	22					
Non-edible fats and oils . . .	8	6	5	13	12	10	16	17	40	51	46	23	22	37	37	27					
Crude oil and petroleum products . . . . .	6	7	5	7	3	3	4	1	4	5	1	2	4	98	94	91					
Iron ore and concentrates . . .	5	4	3	2	2	—	1	82	86	86	—	—	—	18	14	14					
Watches . . . . .	—	—	—	1	1	1	—	100	94	100	—	—	—	—	6	—					
Total of commodities listed	86	126	92	140	118	89	116														
Total imports . . . . .	165	184	156	262	230	168	195	22	24	33	37	33	20	41	43	47					

NOTE. — The figures have been taken from *Der Aussenhandel des Vereinigten Wirtschaftsgebietes im Jahre 1949* and *Aussenhandel der Bundesrepublik Deutschland*. Data for January-September 1949 refer to the U.K./U.S. Zone only, but beginning October 1949, they refer to the three western zones.

<sup>a</sup> Austria, Belgium, Denmark, Netherlands, Norway, Sweden and Switzerland.

<sup>b</sup> Monthly average.

## CHANGES IN THE RELATIONSHIP BETWEEN EUROPEAN PRODUCTION AND TRADE

*The following article gives provisional and summary results of an investigation into some aspects of the changing structure of European production and trade since before the war. Many of the changes noted call for a fuller examination of developments in particular industries and countries than has been possible within the scope of the present analysis.*

*Because of the varying character of the information available and difficulties in rendering comparable the data between countries and, within each country, between production and trade, the statistics presented are necessarily of an approximate nature and should be taken merely as indications of orders of magnitude and of the direction of change.*

The relationship between production and trade in Europe has changed appreciably compared with that prevailing just before the war. Several influences have contributed to this development, including post-war shortages of supplies from traditional sources, both in Europe and overseas, and the general necessity for a contraction of imports and expansion of exports in response to the deterioration in the international investment and payments position of European countries and the shift in their terms of trade. These influences are perhaps most directly expressed in the failure of food imports to expand over pre-war levels, even while agricultural production in Europe was still very low, and in the increased proportion of Europe's industrial production sold in overseas markets. In addition, changes in imports of industrial materials have necessarily been related, as cause or effect, to developments in the technology and structure of European industry. Some of these changes would doubtless have occurred even if there had been no shortages of goods or foreign exchange, and some, such as the increased use of mineral oil products in industry and transport, have been in the opposite

direction to that which would have been dictated by the overseas payments position alone. On balance, however, technological and structural changes have tended to reduce somewhat the relative dependence of European production on imports from overseas even though the total volume of imports of all commodities continues to be moderately greater than before the war.

This article is an attempt to describe these relationships in greater detail and to assess the extent of the changes which have resulted from them. While it is chiefly concerned with Europe's overseas trade in relation to its production, comparable data are given on intra-European trade in order to bring out some of the effects on the European economy of developments in the production and trade of individual countries. The analysis is made in terms of changes in the volume of production and trade measured in physical quantities or by index numbers, and price movements are not considered, whether as part of the payments problem because of adverse changes in the terms of trade or as part of the mechanism through which adjustments are brought about.

### 1. TOTAL PRODUCTION AND TRADE

Europe's production and trade, expressed in 1938 prices, are given in Table 1 for the years 1938 and 1947 to 1949.<sup>1</sup> The production and trade figures are

not directly comparable with each other, since they

<sup>1</sup> Because of the lack of comparable data on the production and trade of the Soviet Union similar to that available for most other European countries, statistics in this analysis (except where specifically limited to a more restricted group of countries) pertain to Europe as a whole *excluding* the Soviet Union. Trade of the rest of Europe with that country is therefore necessarily included, as far as information is available or estimates can be made, in trade with "overseas" or "non-

European" countries rather than in "intra-European" trade. This treatment gives rise to certain differences in the totals, as well as in the movement, of certain trade items as compared with other data published in the annual *Survey* or in the trade tables in the appendix of this *Bulletin*, where trade with the Soviet Union is considered as "intra-European". For instance, the heavy declines in imports of grain and timber by other European countries from the Soviet Union in the post-war period compared with pre-war are reflected in the present tables in imports from "non-European" countries.

**Table 1**  
**TOTAL EUROPEAN PRODUCTION AND TRADE <sup>a</sup>**  
*Billions of dollars in 1938 prices*

Item	1938	1947	1948	1949
<i>Net value of production</i>				
Agriculture, fishing and food processing . . . . .	17.0 <sup>b</sup>	13.5	15.0	16.0
Industry, building and forestry . . . . .	29.5	24.5	28.0	31.5
Total. . . . .	46.5	38.0	43.0	47.5
<i>Trade with overseas countries <sup>a</sup></i>				
<i>Imports (c.i.f.)</i>				
Food and feeding-stuffs . . . . .	3.4	3.0	3.1	3.1
Industrial materials . . . . .	2.5	2.2	2.4	2.6
Manufactures . . . . .	0.9	2.0	1.5	1.3
Total. . . . .	6.8	7.2	7.0	7.0
<i>Exports (f.o.b.)</i>				
Food and feeding-stuffs . . . . .	0.2	0.2	0.2	0.2
Industrial materials . . . . .	1.3	0.7	1.1	1.1
Manufactures . . . . .	2.4	2.2	2.7	3.3
Total. . . . .	3.9	3.1	4.0	4.6
<i>Intra-European trade (f.o.b.)</i>				
Food and feeding-stuffs . . . . .	1.7	0.7	1.0	1.2
Industrial materials . . . . .	2.9	1.6	2.1	2.5
Manufactures . . . . .	2.1	1.4	1.5	1.9
Total. . . . .	6.7	3.7	4.6	5.6

<sup>a</sup> European production excludes that of the U.S.S.R. for all years. Trade of other European countries with the U.S.S.R. is included in "Trade with overseas countries" for 1938 and, in so far as information is available, also for the post-war years.

<sup>b</sup> For agriculture, average 1934-1938.

represent net and gross values respectively,<sup>1</sup> but this does not invalidate a comparison of the movements of the two series through time. For the purpose of this comparison and the subsequent analysis, Europe's trade has been divided into three classes—food and feeding-stuffs, industrial materials, and manufactures. The first of these classes may be compared with the movement in the net value of European agricultural output, including that of the food-processing industries.<sup>2</sup> Both of the other two

<sup>1</sup> Thus, a direct percentage comparison would over-state the importance of trade in relation to production, since the output figures represent only "value added" and do not include the value of materials used or of transport and other costs.

<sup>2</sup> Since food imports are used in part for direct consumption and in part for further processing, the estimated net output of the food-processing industries has been added to that of agriculture to improve the comparability of the series.

trade classes may be related to a single series, industrial production, in order to show the changes in Europe's imports of industrial materials and its exports of manufactures in relation to changes in the volume of its industrial production.

The table indicates that in 1948 and 1949 both the net value of food production in Europe and the volume of imports of food and feeding-stuffs from overseas were still about one-tenth below the 1938 level. Europe has thus been obtaining much the same proportion of its total food supplies from overseas sources, but the experience of the post-war period also suggests that, in view of the prospective further recovery and development of European agriculture and trade, substantial savings in food imports from overseas should be possible, if necessary. Industrial production, on the other hand, exceeded the pre-war level by about one-tenth in 1949, although imports of industrial materials remained at about the 1938 level. Although these imports have risen during the past three years, industrial production has risen more. Moreover, the proportion of industrial production exported overseas in 1949 was substantially greater than in 1938, and here also the change has been a progressive one since the end of the war. As industrial production has expanded, the volume of manufactures sent abroad has expanded still more rapidly.

Intra-European trade recovered much more slowly than production immediately after the war, particularly in agricultural produce and industrial materials. As might have been expected, the producing countries tended to give priority to their own requirements<sup>3</sup>—sometimes on a scale considerably greater than before the war—and this made other European countries more dependent on overseas supplies. Since 1947, however, the position has changed somewhat; and the expansion in all the three classes of trade shown in Table 1 has been greater than in production, though the proportion of total production entering into intra-European trade is still considerably lower than before the war.

<sup>3</sup> As examples, may be mentioned the domestic use of timber and wood products in Sweden, coal consumption in the United Kingdom and Poland (the domestic consumption of coal having been high in relation to the economies achieved elsewhere) and the generally low level of trade in hides and skins. In several of these instances, differential prices in favour of the home market have tended to encourage domestic use as against exports.



## 2. IMPORTS IN RELATION TO PRODUCTION

### *Food and Feeding-stuffs*

At the end of the war, the population of Europe (excluding the Soviet Union) was about the same as, or slightly larger than, in 1938. Agricultural production, however, had declined to about three-fifths, and livestock numbers to less than four-fifths, of the pre-war level.<sup>1</sup>

There was an acute food shortage in most of the countries which had been occupied by Germany and in central Europe, where stocks were negligible and distribution was on a day-to-day basis. Throughout the post-war period, even after the immediate crisis was passed, Europe has been faced with the problem of securing from overseas, while its own agriculture was being restored, enough food to enable its population to be adequately fed and enough feeding-stuffs to make possible a steady expansion in the number of its livestock. Often the quantities required have not been available, particularly from non-dollar sources, and the shortage of dollars has tended to limit purchases of available supplies. On the whole, however, the problem has been met successfully; and by the end of 1949 calorie intake per head, agricultural output and the total number of livestock were all close to pre-war levels (though still below them), while food stocks had been built up to about normal proportions.

This broad sketch gives only the general background against which the problems of individual European countries have varied widely. The account which follows, and which briefly compares the present structure of production and trade with the pre-war structure, will show how different the development has been for different types of agricultural produce.

It is convenient for purposes of exposition to treat food and feeding-stuffs separately, although potatoes and most grain crops are used as both. Compared with before the war, European food production shows two main trends: crops have recovered faster than livestock products, and there has been a shift from cereals to other crops. Thus, as can be seen from Table 2, the output of sugar beet, tobacco and oilseeds was higher in 1949 than before the war (though the output of oilseeds was still very small in relation to consumption), while that of bread grain was about 7 per cent lower. The decline in the output of livestock

products was considerably greater; that of meat, in particular, was about 30 per cent below pre-war. This is a natural consequence of the smaller size of herds and of their lower average age as they are rebuilt, which has been reflected hitherto both in a lower average milk yield and a lower rate of slaughtering than before the war.

The pattern of Europe's food imports from overseas, however, has not been determined by the desire to make good the deficiencies in its own production compared with pre-war so much as by what has been available and, in the case of western Germany, by a policy of importing foods which were relatively cheap in terms of calorie content. Thus imports of bread grain, which were chiefly from the United States to western Germany and Italy, were nearly half as large again in 1949 as in 1938, and made possible considerable additions to stocks in some countries. Imports of sugar, which is also cheap in terms of calorie content, were also larger than in 1938 in spite of the increase in European production. Apart from bread grain, imports from overseas in 1949 generally accounted for a smaller proportion of supplies available than before the war, as is indicated by Table 3. Cheese is the only other commodity, among those covered, of which imports have increased both absolutely and in relation to European production. Imports of meat, on the other hand, of which a very large proportion go to the United Kingdom, have fallen sharply, mainly because less has been available for export from traditional sources, notably Argentina. The decrease in supplies of oilseeds and nuts from the main pre-war exporting countries—Manchuria, Indonesia, India and Argentina—has been partly offset by the disappearance of the United States as an importer owing to the sharp rise in its domestic production; and the fall in European imports is chiefly accounted for by western Germany, which was the largest importer before the war. Seed-crushing industries have been developed in Argentina and, to a smaller extent, in India and the French overseas dependencies. As a result, Europe has had to take more of its imports in the form of processed oils, of which a larger proportion than before the war have come from the United States and Canada.

Since the war, European countries have been increasing their output of feeding-stuffs and rebuilding their livestock herds as part of a balanced agricultural

<sup>1</sup> Including cattle, pigs, sheep and goats (10 cattle = 32 pigs = 100 sheep or goats).

Table 2

EUROPEAN PRODUCTION AND TRADE IN SELECTED FOOD AND FEEDING-STUFFS <sup>a</sup>

Thousands of tons

Commodity	Year	European production	Overseas trade		Intra-European trade	Commodity	Year	European production	Overseas trade		Intra-European trade
			Imports	Exports					Imports	Exports	
<i>Materials for agriculture</i>						<i>Food for consumption</i> (continued)					
Coarse grain . . . . .	1934-1938 1938 1948 1949	57,700 62,650 52,900 52,500	9,880 7,350 7,580	.. 75 35	2,350 1,600 1,980	Butter (product weight).	1934-1938 1938 1948 1949	1,780 1,830 1,260 1,450 *	.. 230 220 210	.. 12 11 9	.. 340 120 190
Oilcake . . . . .	1934-1938 1938 1948 1949	4,600 .. 1,440 2,470	2,110 * 1,370 * 1,030 *	20 7 17	480 * 250 * 410 *	Cheese . . . . .	1934-1938 1938 1948 1949	1,490 1,580 1,100 1,260 *	.. 140 160 190	.. 50 20 30	.. 100 50 110
<i>Materials for food-processing industry</i>						Eggs . . . . .	1934-1938 1938 1948 1949	2,360 .. 2,030 2,250	.. 120 140 90	.. 40 5 5	.. 290 90 160
Bread grain . . . . .	1934-1938 1938 1948 1949	65,500 74,950 59,100 60,800	10,770 17,920 15,840	200 150 360	2,760 1,320 1,740	Meat <sup>e</sup> . . . . .	1934-1938 1938 1948 1949	12,270 12,450 7,770 8,580	.. 1,410 1,090 1,040	.. 90 5 10	.. 710 330 460
Raw sugar . . . . .	1934-1938 1938 1948 1949	6,570 6,360 6,890 6,930	2,680 2,950 2,970	25 15 10	140 200 120	Fish . . . . .	1934-1938 1938 1948 1949	4,850 4,660 5,510 5,180	.. 230 230 210	.. 200 90 100	.. 760 910 900
Animal and vegetable fats and oils <sup>b</sup> . . . . .	1934-1938 1938 1948 1949	3,330 .. 2,620 2,760	1,000 950 1,250	360 80 70	540 270 275	Manufactured tobacco .	1934-1938 1938 1948 1949	.. 450 490 530	.. 2 3 2	.. 20 20 25	.. 6 7 6
Oilseeds (oil content) . .	1938 1948 1949	65 105 105	2,410 1,120 1,410	.. .. ..	.. .. ..	Wine . . . . .	1934-1938 1938 1948 1949	15,610 15,940 12,710 13,400	.. 1,750 1,100 1,190	.. .. .. ..	.. .. .. ..
Raw tobacco . . . . .	1934-1938 1938 1948 1949	330 300 410 390	280 230 280	30 40 40	120 70 110	Milk . . . . .	1934-1938 1938 1948 1949	103,640 105,700 76,990 88,500	Commodity	Year	Overseas imports
<i>Food for consumption</i>						Potatoes . . . . .	1934-1938 1938 1948 1949	134,880 138,600 136,060 121,100	Tea <sup>d</sup>	1938 1948 1949	320 290 330
Refined sugar . . . . .	1934-1938 1938 1948 1949	8,280 8,830 8,900	190 480 250	380 650 670	480 430 470				Coffee	1938 1948 1949	710 410 430

<sup>a</sup> European production excludes that of the U.S.S.R.; for all years. Trade of other European countries in "Overseas trade" for 1938 and, in so far as information is available, also for the post-war years.

<sup>b</sup> All visible fats and oils, excluding butter and oil from oilseeds.  
<sup>c</sup> Cattle, beef, veal, mutton, lamb, pork and goat meat.  
<sup>d</sup> Including imports into the United Kingdom for subsequent re-export.



Table 3

SUPPLIES OF SELECTED FOOD AND FEEDING-STUFFS AND PROPORTION IMPORTED FROM OVERSEAS COUNTRIES <sup>a</sup>

Commodity	Supplies available (pre-war = 100) <i>b</i>		Overseas imports as percentage of supplies available			Value of overseas imports (millions of dollars in 1948 typical prices)
	1948	1949	Pre-war <i>b</i>	1948	1949	1949
<i>Vegetable products</i>						
Bread grain . . . . .	101	100	14	23	21	1,520
Fats and oils <i>c</i> . . . . .	73	84	44	38	42	1,220
Coarse grain . . . . .	89	89	15	12	13	590
Sugar <i>d</i> . . . . .	107	105	32	36	34	540
Tobacco <i>e</i> . . . . .	104	107	50	40	47	350
Oilcake . . . . .	42	52	32	49	30	130 *
<i>Animal products</i>						
Meat <i>f</i> . . . . .	65	71	10	12	11	420
Cheese . . . . .	78	90	9	13	13	120
Fish . . . . .	116	108	5	4	4	80
Eggs . . . . .	89	95	5	6	4	60

<sup>a</sup> European production excludes that of the U.S.S.R. for all years. Trade of other European countries with the U.S.S.R. is included with that of the overseas countries for 1938 and, in so far as information is available, also for the post-war years.

<sup>b</sup> For production, 1934-1938 ; for trade, 1938.

<sup>c</sup> Including oil content of oilseeds and butter.

<sup>d</sup> Production of raw sugar plus net imports of raw and refined sugar.

<sup>e</sup> Production of raw tobacco plus net imports of raw and manufactured tobacco.

<sup>f</sup> Comprising beef, veal, mutton, lamb, pork and goat meat.

programme for increasing domestic food supplies. Great efforts have been made in many countries, both in western and in eastern Europe, to increase the production of root crops and to expand the area of temporary grassland. In some countries, notably the Netherlands and the United Kingdom, an increased use of fertilizers and more modern methods of crop rotation have substantially improved the yield of grazing and green fodder. As a result, the total output of feeding-stuffs in the agricultural year 1948/49 was less than one-tenth below the pre-war average and accounted for about 95 per cent of Europe's total supplies, or a rather larger proportion than before the war. The reduction in imports, which consist almost entirely of coarse grain and oilcake, imported either as such or in the form of oilseeds, has been due to several causes whose importance has varied from one importing country to another. Livestock products are a comparatively expensive form of food on which European countries are reluctant to spend dollars either directly or through imports of feeding-stuffs,

and, outside the dollar area, supplies of coarse grain have been scarce compared with pre-war. Some countries—particularly the United Kingdom—have, however, had to balance expenditure on imported feeding-stuffs against increasing their dependence on imported supplies of meat which, even at the much reduced post-war level of consumption, is still great. Denmark and the Netherlands have imported feeding-stuffs in order to extend their herds and expand their profitable export trade in livestock products as fast as possible, but have faced, as a result, the problem of incurring dollar expenditure for imports against soft-currency receipts for exports. These conflicting considerations resulted in 1949 in European imports of coarse grain and oilcake from overseas which were respectively one-quarter and one-half below the 1938 level.

Taking food and feeding-stuffs together, Europe is almost as dependent on overseas sources of supply as before the war. This however, is chiefly because large increases in imports of bread grain have offset

<sup>a</sup> European production excludes that of the U.S.S.R. for all years. Trade of other European countries with the U.S.S.R. is included with that of the overseas countries for 1938 and, in so far as information is available, also for the post-war years.

reductions elsewhere. These increases have been necessary owing to the still incomplete recovery in European agricultural production and the tendency to shift acreage to the production of other commodities, especially for animal feeding. The present relationship, however, is transitional, and it is uncertain whether further recovery will bring either a relative or an absolute decline in imports from overseas. The emphasis given to livestock in agricultural development programmes will increase European requirements of feeding-stuffs, but this may be offset by the strenuous efforts to increase their own production.<sup>1</sup> In particular, new methods of "quick drying" green fodder and a wider use of silage should make possible a considerable saving in imports of oilcake.<sup>2</sup> On the other hand, imports of various foodstuffs of importance are re-

stricted because of the dollar shortage and the limited supplies available from non-dollar sources. Any easing of these difficulties would probably lead to a substantial rise in these imports—notably of fats and oils—into most European countries (and especially Germany), and of animal products into the United Kingdom. Should these difficulties continue or be intensified, however, the greater probability is that imports of food will continue to be limited severely and will decline not only relatively, but possibly also in absolute amount as European agricultural production recovers. The most serious question concerns Europe's ability to pay for overseas imports of cereals, both bread grain and coarse grain, in the required amounts, as European countries endeavour to concentrate their agricultural development on livestock production.

<sup>1</sup> The United Kingdom Committee on Industrial Productivity, for example, states in its first report (April 1949) that "it should be possible to obtain within the next four years a 20 per cent increase . . . in the total yield of grassland . . . In this way it should be possible to provide enough feeding-stuffs for cattle to allow for an import saving of more than £40 million per annum at present prices."

<sup>2</sup> The loss in nutritive value of fodder when dried by traditional methods may be as high as 20 per cent. Ensilage and quick drying methods reduce the nutritive loss very considerably.

### Industrial Materials

The general trends in imports of industrial materials in relation to changes in manufacturing production can be seen from Table 4, based on data for seven of the leading industrial countries of Europe—the United Kingdom, France, Germany (U.K./U.S.Zone),

**Table 4**  
**INDUSTRIAL PRODUCTION AND IMPORTS OF INDUSTRIAL MATERIALS<sup>a</sup>**  
*Index numbers — 1938 = 100*

Industrial sector	Volume of production <sup>b</sup>		Imports of industrial materials <sup>c</sup>			
			From overseas countries <sup>d</sup>		From Europe	
	1948	1949	1948	1949	1948	1949
<i>Metals and engineering</i>						
Including Germany <sup>e</sup> . . . . .	96	114	90	87	73	97
Excluding Germany . . . . .	135	147	110	105	105	140
<i>Textiles</i>						
Including Germany <sup>e</sup> . . . . .	86	98	73	90	75	104
Excluding Germany . . . . .	99	104	80	96	88	101
<i>Total industry<sup>f</sup></i>						
Including Germany <sup>e</sup> . . . . .	100	113	93	104	74	91
Excluding Germany . . . . .	117	126	107	115	84	100

<sup>a</sup> Production and imports of United Kingdom, France, U.K./U.S. Zone of Germany, Italy, Sweden, Belgium-Luxembourg and the Netherlands.

<sup>b</sup> Comprising production of manufacturing (excluding food processing), and mining, building industries and gas, water and electricity supply.

<sup>c</sup> For a list of the commodities imported by each industrial sector, see Appendix.

<sup>d</sup> Including imports from the U.S.S.R.

<sup>e</sup> U.K./U.S. Zone only.

<sup>f</sup> The figures for imports include coal and crude petroleum although these are not wholly consumed in industry. If coal and crude petroleum were excluded, the index numbers for imports from overseas in 1948 and 1949 would be 83 and 91, respectively, for all 7 countries and 95 and 100 if Germany were excluded.

Table 5  
EUROPEAN PRODUCTION AND TRADE IN SELECTED INDUSTRIAL MATERIALS <sup>a</sup>  
Millions of tons

Commodity	Year	European production	Overseas trade		Intra-European trade	Commodity	Year	European production	Overseas trade		Intra-European trade
			Imports	Exports					Imports	Exports	
<b>Ores and metals</b>						<b>Textile materials (continued)</b>					
Iron ore <sup>b</sup> . . . . .	1938 1948 1949	32.4 25.4 28.7	3.9 3.7 3.5	0.2 0.9 0.9	14.7 9.5 8.8	Cotton yarn . . . . .	1938 1948 1949	1.85 1.56 1.77	c c c	0.05 0.05 0.05	0.09 0.04 0.06
Bauxite . . . . .	1938 1948 1949	2.15 1.40 1.40	0.23 — c	c c c	1.28 0.56 0.53	Wool yarn . . . . .	1938 1948 1949	0.72 0.75 0.81	c c c	c 0.01 0.02	0.04 0.03 0.03
Lead ore <sup>b</sup> . . . . .	1938 1948 1949	0.30 0.21 0.26	0.17 0.08 0.08	— — c	0.05 0.02 0.02	Artificial yarns <sup>f</sup> . . . .	1938 1948 1949	0.48 0.52 0.69	0.01 c c	0.05 0.08 0.06	0.03 0.05 0.06
Zinc ore <sup>b</sup> . . . . .	1938 1948 1949	0.54 0.39 0.49	0.49 0.24 0.21	c 0.02 c	0.17 0.12 0.12	<b>Fuel</b>					
Finished steel . . . . .	1938 1948 1949	35.5 32.4 37.9	1.0 1.1 1.0	4.0 2.8 4.3	4.0 3.7 4.5	Coal and coke <sup>g</sup> . . . .	1938 1948 1949	579.6 505.2 543.3	2.6 17.8 10.7	12.7 10.3 12.2	81.7 53.8 66.7
Aluminium . . . . .	1938 1948 1949	0.21 0.24 0.25	0.04 0.19 0.18	0.02 0.02 0.03	0.05 0.06 0.06	Crude petroleum . . . .	1938 1948 1949	8.1 7.7 8.6	12.7 17.0 24.7	— — —	0.4 0.2 0.3
Copper . . . . .	1938 1948 1949	0.36 0.31 0.37	1.15 0.68 0.62	0.02 c 0.02	0.20 0.17 0.23	Refined petroleum . . .	1938 1948 1949	18.8 <sup>h</sup> 22.2 <sup>h</sup> 30.0 <sup>h</sup>	17.8 27.3 25.5	2.0 1.1 2.2	3.8 3.1 3.3
Lead . . . . .	1938 1948 1949	0.41 0.30 0.39	0.61 0.25 0.26	0.01 0.06 0.05	0.16 0.08 0.10	Electric power <sup>i</sup> . . . .	1938 1948 1949	171 236 249	— — —	— — —	2.0 * 1.7 * 1.2 *
Tin . . . . .	1938 1948 1949	0.08 0.07 0.07	0.03 0.01 c	0.02 0.02 0.02	0.03 0.02 0.02	<b>Other industrial materials</b>					
Zinc . . . . .	1938 1948 1949	0.66 0.51 0.58	0.14 0.18 0.15	0.04 0.03 0.05	0.24 0.15 0.17	Timber <sup>j</sup> . . . . .	1938 1948 1949	54.2 40.0 46.3	14.5 5.1 4.7	4.3 1.0 1.3	19.3 17.3 18.1
<b>Textile materials</b>						Wood-pulp . . . . .	1938 1948 1949	11.6 8.1 8.9	0.4 0.3 0.3	2.4 0.7 0.7	2.6 2.3 2.7
Raw cotton <sup>d</sup> . . . . .	1938 1948 1949	0.09 0.10 0.14	1.94 1.27 1.63	0.06 c 0.02	0.09 0.11 0.15	Sulphur . . . . .	1938 1948 1949	3.43 2.33 2.87	0.38 0.71 0.67	0.05 c 0.02	0.38 0.20 0.32
Raw wool <sup>d</sup> . . . . .	1938 1948 1949	0.26 0.22 0.22	0.85 0.72 0.83	0.03 0.04 0.03	0.18 0.10 0.12	Rubber . . . . .	1938 1948 1949	.. .. ..	0.41 0.51 0.52	c 0.02 0.02	0.03 0.06 0.06
						Hides and skins . . . .	1938 1948 1949	.. .. ..	0.35 0.36 0.40	— c 0.01	0.24 0.03 0.03

<sup>a</sup> European production excludes that of the U.S.S.R. for all years. Trade of other European countries with the U.S.S.R. is included in "Overseas trade" for 1938 and, in so far as information is available, for 1948 and 1949. Trade figures exclude bunkers.

<sup>b</sup> Estimated metal content.

<sup>c</sup> Under 5 thousand tons.

<sup>d</sup> Production refers to agricultural years beginning in the calendar year indicated.

<sup>e</sup> Production refers to greasy basis; trade figures refer to actual weight as shown in the statistics of the various countries.

<sup>f</sup> Production refers to rayon, including the production of nylon yarn for post-war years in the United Kingdom.

<sup>g</sup> Production refers to coal only. Trade figures exclude bunkers.

<sup>h</sup> Apparent consumption.

<sup>i</sup> Billions of kilowatt-hours; total electric power.

<sup>j</sup> Millions of cubic metres. Production refers to sawn softwood and hardwood; trade includes all timber.

Italy, Sweden, Belgium-Luxembourg,<sup>1</sup> and the Netherlands. These countries accounted for more than two-thirds of total European industrial production in 1938 (excluding the Soviet Union) and for about four-fifths of total European imports of industrial materials from overseas. The movement both in the volume of production and in the volume of imports corresponds fairly closely to the trends for Europe as a whole which have been shown in Table 1.

Part of the decline in Europe's imports of industrial materials relatively to its industrial production has been due to the structural shift represented by the expansion of the metals and engineering industries, which are far less dependent on imported materials, relatively to the textile industries. Precise comparisons of the "import content" of the production of these industries cannot be made, since no figures are available showing the total value of output, free from duplication, of individual European industries.<sup>2</sup> Some indication of the difference is afforded, however, by a comparison of the value of imports of materials per employee in the two industrial groups. For the seven countries covered by Table 4, the value of imported materials (from all sources) was about two and a half times as great per employee in the textile industries as in the metals and engineering industries, and the difference would be even greater if allowance were made for the lower value of net output per employee in the production of textiles.

It will also be seen from Table 4 that the reduction in imports of industrial materials from overseas in relation to industrial production is not to be accounted for merely by the low level of imports into Germany. For industry as a whole, the discrepancy between the movement of production and that of imports of industrial materials is about the same whether western Germany is included or excluded.

In addition to the effects of the broad structural shift in the importance of metals and engineering compared with textiles, the demand for imports has also been affected by structural changes within each of these industrial groups, as will be seen in the following paragraphs.

<sup>1</sup> In view of their economic union and their common trade statistics, Belgium and Luxembourg are considered here as a single economic entity.

<sup>2</sup> For the United Kingdom, it may be estimated that the "import content" of engineering production before the war was of the order of 5 per cent.

*Metals and Engineering.* — The relatively low dependence of the metals and engineering industries on imports is attributable chiefly to the fact that Europe is virtually self-sufficient in steel, which is their principal raw material. As Table 5 shows, imports of finished steel from overseas amounted to only about one million tons in 1938, 1948, and 1949, or roughly 3 per cent of total European production. Intra-European trade in steel is of considerably greater importance and, in 1949, expanded to a level more than 10 per cent greater than in 1938. This increase reflected the expansion in Europe's production of finished steel, which, in 1949, exceeded the pre-war level by about 7 per cent, or—if Germany is excluded—by more than one-third. The expansion in the volume of European engineering output was rather greater than this, as is shown in Table 6.

Though the import content of European engineering production is low, Europe depends largely on overseas sources for supplies of non-ferrous metals, which in 1949 represented almost 15 per cent of the value of all industrial materials imported from overseas and included in the calculations presented in Table 4. Within the non-ferrous metals group, however, there have been two developments which affect Europe's dependence on overseas supplies.

First, the wartime shortages of most non-ferrous metals led to a greater use of scrap. This tendency has been encouraged by many European Governments in order to reduce their requirements of imported metal. The figures for European production and trade shown in Table 5 exclude, so far as possible, metallic residues and scrap. The increased importance of non-ferrous scrap can, however, be seen from data available for the United Kingdom, where the proportion of scrap in total consumption rose from one-fifth in 1935<sup>1</sup> to one-half in 1949 for lead, and from over one-tenth to one-third for copper over the same period. The greater utilization of scrap material has thus considerably reduced the dependence on overseas supplies of many non-ferrous metals.<sup>2</sup>

The second development has been an increasing substitution of aluminium for other metals, notably lead, copper and steel. This is especially notable in the building industry, where aluminium is tending to

<sup>1</sup> The 1935 figures are based on the results of the Fifth Census of Production (1935), the last full pre-war census in the United Kingdom.

<sup>2</sup> The present high scrap percentages are, however, likely to be reduced when the availability of war scrap diminishes.



replace lead, in electrical work, where it is replacing copper, and in transport equipment, where it is to some extent replacing steel. The greater part of the increased aluminium consumption in Europe from 1938 to 1949 has, however, been provided by imports of low-cost Canadian aluminium, mainly by the United Kingdom. A much smaller part has been met by ex-

panded European production, the increases achieved in several countries having been partly offset by a reduction in German production. The extent to which this substitution will lead to further economies in Europe's imports of non-ferrous metals will depend on how far European aluminium production can be developed on a low-cost basis.

**Table 6**  
**METALS AND ENGINEERING PRODUCTION AND IMPORTS OF ORES AND METALS**  
*Millions of dollars in 1938 prices and index numbers — 1938 = 100*

Country	Year	Volume of production	Imports of ores and metals					
			Total		From overseas countries <sup>a</sup>		From Europe	
		<i>Index</i>	Value	<i>Index</i>	Value	<i>Index</i>	Value	<i>Index</i>
Belgium-Luxembourg . . . . .	1938	100	95	100	48	100	47	100
	1948	134	79	83	41	85	38	81
	1949	131	78	82	38	79	40	85
France . . . . .	1938	100	63	100	43	100	20	100
	1948	119	91	144	56	130	35	175
	1949	140	81	133	47	109	34	170
Germany : U.K./U.S. Zone . . . . .	1938	100	240 <sup>b</sup>	100	95 <sup>b</sup>	100	145 <sup>b</sup>	100
	1948	38	33	14	11	12	22	15
	1949	63	41	17	11	12	30	32
Italy . . . . .	1938	100	49	100	19	100	30	100
	1948	101	56	114	37	195	19	63
	1949	110	70	143	28	147	42	140
Netherlands . . . . .	1938	100	87	100	31	100	56	100
	1948	122	91	105	33	106	58	104
	1949	146	87	100	31	100	56	100
Sweden . . . . .	1938	100	48	100	20	100	28	100
	1948	155	61	127	20	100	41	146
	1949	160-165	64	133	19	95	45	161
United Kingdom . . . . .	1938	100	297	100	221	100	76	100
	1948	148	313	105	233	105	80	105
	1949	160	382	129	240	109	142	187
Total of countries listed : including Germany <sup>c</sup> . . . . .	1938	100	879	100	477	100	402	100
	1948	96	724	82	431	90	293	73
	1949	114	803	91	414	87	389	97
excluding Germany . . . . .	1938	100	639	100	382	100	257	100
	1948	135	691	108	420	110	271	105
	1949	147	762	119	403	105	359	140

<sup>a</sup> Including imports from the U.S.S.R.

<sup>b</sup> The pre-war figures are estimates. Total imports of ores and metals in 1938

for pre-war Germany amounted to \$312 million, of which \$124 million came from overseas.

<sup>c</sup> U.K./U.S. Zone only.

Within Europe, there has been a very marked tendency for countries producing non-ferrous ores to smelt a greater proportion of their production so as to maximize its value by processing within their own boundaries. For example, France and Hungary—the largest bauxite-producing countries in Europe—have both increased their aluminium production considerably as compared with pre-war. In France, bauxite production in 1949 (761,000 tons) was 17 per cent higher than in 1938 (649,000 tons), but the increase in aluminium production was much greater (from 51,000 to 75,000 tons, or 47 per cent) in the same period. In Hungary, aluminium production in 1938 was negligible (1,300 tons), but new smelting plant completed since the war has enabled production to be increased to 14,400 tons in 1949, though there was only a small expansion in bauxite production—from 540,000 to 561,000 tons over the same period. Similarly, new smelting plants are now treating most of the lead ore produced in Yugoslavia, from which before the war the lead was exported in the form of ore or concentrate.<sup>1</sup>

These tendencies, which have not been confined to Europe, have unfavourably affected Belgium's trade in the import, refining and re-export of non-ferrous metals, which was considerable before the war; and this is the principal reason why the reduction in Belgium's imports of ores and metals in relation to her engineering production since the war has been exceptionally great.

The changes since pre-war in the relation between imports of all ores and metals and the production of the metals and engineering industries are shown in Table 6 for seven major producing countries. The reduction in import-content holds good for all the countries listed except Italy, which imported considerable quantities of copper and bauxite in 1948 and 1949, whereas before the war it imported only small amounts of non-ferrous metals and was, in fact, itself an exporter of bauxite. In most countries the decline has been particularly severe in imports from overseas. Imports of ores and metals from European sources have varied widely from one importing country to another; but, if Germany is excluded, the total bears

much the same relation to the production of the metals and engineering industries as before the war.

*Textiles.*—The outstanding development in textile production since pre-war has been the great expansion in the output of synthetic fibres, both absolutely and in relation to natural fibres. As can be seen from Table 5, European production of artificial yarns—mainly rayon—was one-third greater in 1949 than in 1938, whereas the total weight of cotton and wool yarn combined was almost unchanged. The increased importance of rayon was common to all European countries except Germany and Italy, as is shown in Table 7, where rayon production is given as a percentage of total yarn production.

Imports of natural fibres into both Germany and Italy were kept down to a minimum before the war to save foreign exchange and to reduce their dependence on imported materials, and in both countries the production of rayon was expanded as a substitute for cotton and wool. While the proportion of rayon in total yarn production has remained at about the pre-war level in western Germany, its relative and absolute importance has been much less in Italy since the end of the war. Even in Italy, however, rayon production recovered rapidly from 1948 to 1949, output rising by about 30 per cent from one year to the next.

For all the other countries shown in Table 7, there has been a considerable increase since pre-war in the relative importance of rayon in total yarn production, which has more than offset the decline for Italy. For Europe as a whole, rayon production has increased from 16 per cent of total yarn production in 1938 to 21 per cent in 1949. For European countries other than Germany and Italy, the relative importance of rayon is less, but the increase has been even more striking, its share in total yarn production rising from 7.5 per cent in 1938 to 17.5 per cent in 1949.

The increased importance of rayon in European textile production generally since 1938 has meant a smaller import of materials for a given volume of production, because the import-content of the value of rayon production is considerably less than that of either cotton or wool yarn. For the United Kingdom, for example, the import-content of cotton yarn exports in 1949 was about 40 per cent, whereas it was probably of the order of only 5 per cent for rayon

<sup>1</sup> Exports of lead from Yugoslavia in 1938 and 1949 were as follows:

	1938	1949
	(thousands of tons)	
Lead ore . . . . .	27	—
Lead concentrate . . . . .	63	5
Pig lead . . . . .	5	53



yarn. Put in another way, this difference in import-content means that, in order to earn the same net amount of foreign exchange, the value of cotton yarn exports has to be about three-fifths higher than that

of exports of rayon yarn. Much the same is true for wool yarn in relation to rayon, though this is not so important from a balance-of-payments standpoint, as imports of raw wool do not involve dollar payments.

Table 7

TEXTILE PRODUCTION AND IMPORTS OF TEXTILE MATERIALS

Millions of dollars in 1938 prices and index numbers 1938 = 100

Country	Year	Volume of production	Imports of textile materials					
			Total		From overseas countries <sup>a</sup>		From Europe	
		<i>Index</i>	Value	<i>Index</i>	Value	<i>Index</i>	Value	<i>Index</i>
Belgium-Luxembourg . . . . .	1938	100	101	100	70	100	31	100
	1948	116	67	66	47	67	20	65
	1949	120	78	77	54	77	24	77
France . . . . .	1938	100	168	100	161	100	7	100
	1948	102	122	73	111	69	11	157
	1949	101	142	85	126	78	16	229
Germany : U.K./U.S. Zone . . . . .	1938	100	170 <sup>b</sup>	100	124 <sup>b</sup>	100	46 <sup>b</sup>	100
	1948	41	65	38	48	39	17	37
	1949	75	126	74	73	59	53	115
Italy . . . . .	1938	100	74	100	62	100	12	100
	1948	91	79	107	72	116	7	58
	1949	99	109	147	98	158	11	92
Netherlands . . . . .	1938	100	46	100	17	100	29	100
	1948	105	40	87	18	106	22	76
	1949	122	51	111	21	124	30	103
Sweden . . . . .	1938	100	40	100	18	100	22	100
	1948	137	49	123	15	83	34	155
	1949	144	47	118	16	89	31	141
United Kingdom . . . . .	1938	100	333	100	295	100	38	100
	1948	95	266	80	238	81	28	74
	1949	102	310	93	282	96	28	74
Total of countries listed : including Germany <sup>c</sup> . . . . .	1938	100	932	100	747	100	185	100
	1948	86	688	74	549	73	139	75
	1949	98	863	93	670	90	193	104
excluding Germany . . . . .	1938	100	762	100	623	100	139	100
	1948	99	623	82	501	80	122	88
	1949	104	737	97	597	96	140	101

<sup>a</sup> Including imports from the U.S.S.R.

<sup>b</sup> The pre-war figures are estimates. Total imports of textile materials in

1938 for pre-war Germany amounted to \$272 million, of which \$199 million came from overseas.

<sup>c</sup> U.K./U.S. Zone only.

**Table 8**  
**RAYON PRODUCTION IN RELATION**  
**TO TOTAL YARN PRODUCTION <sup>a</sup>**

Country	Rayon production (thousands of tons)	Rayon as percentage of total yarn production		
	1949	1938	1948	1949
United Kingdom . . . . .	131	8.8	15.7	18.4
Germany : western zones .	128	29.2 *	31.4	30.4
Italy . . . . .	85	32.5	20.0	24.0
France . . . . .	75	8.4	17.7	17.5
Netherlands . . . . .	30	13.1	25.9	26.5
Czechoslovakia . . . . .	26	2.2	18.8	19.0
Belgium-Luxembourg . .	19	5.4	15.8	13.4
Spain . . . . .	18	1.5 *	17.2	21.3
Austria . . . . .	17	11.7	35.8	38.6
Sweden . . . . .	14	5.7	22.1	23.1
Total Europe <sup>b</sup> . . . . .	685	15.8	18.5	21.0
Total Europe, excluding Italy and Germany .	400	7.5	16.2	17.5

<sup>a</sup> In terms of aggregate weight of yarn. Rayon includes staple fibre and spun yarn as well as continuous filament yarn and, for the United Kingdom, nylon yarn.

<sup>b</sup> Including European countries, except the U.S.S.R., not listed in the table.

The reduction since pre-war in the volume of imports of textile materials in relation to textile production for most of the major producing countries—as shown in Table 8—has been chiefly due to the increased importance of rayon. There were, however, other factors of importance in some countries. The Netherlands textile industry before the war was based largely on imported yarns, but a higher proportion of imports of cotton and wool is now in the form of natural fibres, so that the value added in manufacturing imported materials is greater than pre-war. For Italy, the effect of the decline in rayon production is reflected in the higher proportion of imports of textile materials to production in 1948, compared with pre-war ; the further large expansion in Italian imports in relation to production in 1949, however, was apparently due to greater imports of raw cotton and raw wool in order to build up stocks.

The proportion of imported materials to total textile production appears likely to be further reduced in future by the extended use of synthetic fibres needing only small quantities of imported raw materials. Nylon is increasing in importance and many other

synthetic fibres are in the course of development. The use of synthetic fibres will also be encouraged by the increase in the prices of raw cotton and wool which has followed the currency devaluations in September 1949.

*Fuel.* — There has been a considerable shift since the pre-war period in the relative importance of the different forms of energy in European consumption, as may be seen from the figures in Table 5. Consumption of mineral oils in 1949 had risen to 50 per cent above the pre-war level, while the increase in electric power consumption was only slightly less. The rise in mineral oil consumption was due mainly to the expansion of road haulage and to the substitution of oil fuel for coal in shipping and industry because of its higher technical efficiency and lower running costs. This increase would have been even greater had not private motoring been severely restricted in many countries in 1948 and 1949, while many coal-to-oil conversion schemes were also postponed in order to save foreign exchange. European coal consumption, on the other hand, was still below the pre-war level in 1949.

This structural shift in consumption has increased Europe's dependence on overseas sources of energy supplies, because its mineral oil requirements must largely be met by imports from overseas. This dependence has been further increased by the decline in European coal production compared with before the war, which has made necessary considerable imports from the United States. These, however, had been reduced to negligible amounts by the end of 1949.

The changing relationship between the trade in, and the production of, energy is indicated in Table 9, where the figures for all the main forms of energy are given in terms of coal-equivalent. Europe was a net importer even before the war, although net imports then accounted for only 4½ per cent of its total energy supplies. Since the war, the increase in its requirements of mineral oil and the smaller supplies of coal available for export have resulted in a considerable rise in net imports, which in 1948 and 1949 were some 9 per cent of the total supplies available. If the temporary imports of coal from the United States are neglected, this figure is reduced to a little over 7 per cent. Even on this basis, however, the importance of overseas energy supplies in total European consumption was two-thirds greater in 1948 and 1949 than it had been in 1938.

Table 9

EUROPE'S ENERGY PRODUCTION AND TRADE <sup>a</sup>*Millions of tons, coal equivalent*

Item	1938	1948	1949
Production <sup>b</sup> . . . . .	694	646	688
Trade with overseas countries <sup>c</sup>			
Imports . . . . .	49	84	86
Exports . . . . .	16	16	20
Net imports . . . . .	33	68	66
Available for consumption . . . .	727	714	754
Net imports as proportion of consumption availability (per cent) . . . .	4.5	9.6	8.8

<sup>a</sup> Coal and fuel oil taken on for bunkers at European ports by vessels in the foreign trade are excluded from the overseas export figures, but imports of mineral oil from overseas subsequently sold as bunkers are necessarily included in the import statistics at the time of importation and cannot be segregated. Since there has been an almost complete change to oil bunkers in the post-war period, the dependence of Europe on overseas fuel would show a somewhat smaller rise between 1938 and 1948 or 1949 than that indicated in the present table, if a deduction could be made for imports of oil used for bunkering.

<sup>b</sup> Excluding the U.S.S.R.

<sup>c</sup> Including the U.S.S.R.

This comparison in terms of coal-equivalent does not take into account the fact that the structure of Europe's production of energy has undergone very considerable changes. The increase in the production of electric energy <sup>1</sup> has involved considerable capital investment in Europe, and the resultant supply of energy is in a far more "processed" form—and in a much more efficient form for industrial production generally—than is coal. Another change of major importance has been the large expansion of the petroleum refining industry in many European countries, as a result of which crude petroleum now accounts for a larger proportion of total petroleum imports. As may be seen from Table 5, the output of petroleum refined in Europe was about 60 per cent higher in 1949 than in 1938. Only the European output of crude petroleum, however, is included in the figures given in terms of coal-equivalent in Table 9, so that these do not reflect the import-saving which has resulted from the expansion of the refining industry.

A volume index based on the value at constant prices of Europe's energy production, including pro-

<sup>1</sup> Consumption of electric energy as a proportion of total European energy consumption rose from 15 per cent in 1938 to 21 per cent in 1948 and 1949.

cessing, might therefore be expected to show an expansion between the pre-war and post-war years rather than the slight decrease indicated by the figures in Table 9. A re-calculation of the volume of European energy production, including the production of electricity from coal and the refining of imported crude petroleum, by valuing each main type of energy at average 1938 prices, <sup>1</sup> shows an increase of about one-fifth between 1938 and 1949. The volume index numbers for Europe's imports and exports of energy are not, however, significantly different from the index numbers based on coal-equivalent values. The result of this re-calculation is, therefore, to moderate somewhat the amount of the increase since the war in Europe's dependence on outside sources for its energy supply as compared with the more direct computation in terms of coal-equivalent; <sup>2</sup> but it does not affect the broad conclusion that imports of fuel from non-European sources now account for a considerably greater part of energy consumption in Europe than before the war. <sup>3</sup>

*Other Industrial Materials.* — Of the other industrial materials shown in Table 5, the most important changes in imports from overseas between pre-war and 1948 or 1949 have been the decline in timber imports and the expansion in imports of hides and skins. The reduction in timber is largely due to smaller imports from the Soviet Union. <sup>1</sup> Intra-European trade in timber in 1948 and 1949 (excluding imports from the Soviet Union) was, however, little short of the pre-war volume, reduced supplies from Scandinavia and other traditional timber exporting countries being largely offset by extensive fellings in the French Zone of

<sup>1</sup> See explanatory note in the Appendix giving the method of calculation. The results must be given with reservations, the chief qualification being that the price charged for electricity may include indirect taxes (or subsidies), the importance of which cannot be calculated.

<sup>2</sup> Although on either basis of calculation, the import content of Europe's energy supply is likely to remain higher than before the war because of the increase in mineral oil consumption, the results obtained by the two methods will tend to diverge further in the future as European countries carry out their plans to develop production of the more "processed" forms of energy—that is, electricity and refined petroleum.

<sup>3</sup> If post-war imports of United States coal are omitted altogether from both sets of calculations, the import content of European energy supply is estimated to have increased from 4½ to 7½ per cent on a coal-equivalent basis and from 6 to 8½ per cent on a constant-value basis between 1938 and 1949, the second calculation resulting in a higher percentage relationship both pre-war and post-war, but a smaller rate of increase between the two periods.

<sup>1</sup> As explained in footnote 1, page 17, imports from the Soviet Union are, in the present analysis, grouped with imports from overseas countries.

Germany for export to France. Though in many European countries total supplies were still well below the pre-war level in 1948 and 1949, there has also been a very substantial reduction in the amount of timber used in housing construction. Especially in the timber-importing countries of Europe, economies have been achieved through an improved design of houses and the greater use of other materials, notably concrete and steel. Economies have also been made in other uses of timber, such as the boxing and crating of merchandise for shipment. For hides and skins, the increase in imports from overseas compensated only in part for the reduction in intra-European trade. The general post-war shortage, especially in the better qualities, has resulted in a tendency for producing countries in Europe to process their own hides and skins rather than export them for processing elsewhere.

Owing to the wide and complex variety of chemical materials, no commodity statistics on the products of the chemical industry have been included in Table 5. Here also, however, there has been a broad tendency to increase the importance of indigenous supplies relatively to imports from overseas. Important

wartime and post-war developments have been the production of synthetic detergents—replacing imported oils and fats for soap—and the ever-increasing variety of uses of plastic materials, all of which have a very low import-content. Moreover, the expansion, already noted, in European refinery capacity will permit the production of a wide range of chemicals from petroleum hydro-carbons to be greatly increased, whereas considerable quantities have, up to the present, been imported from the United States.

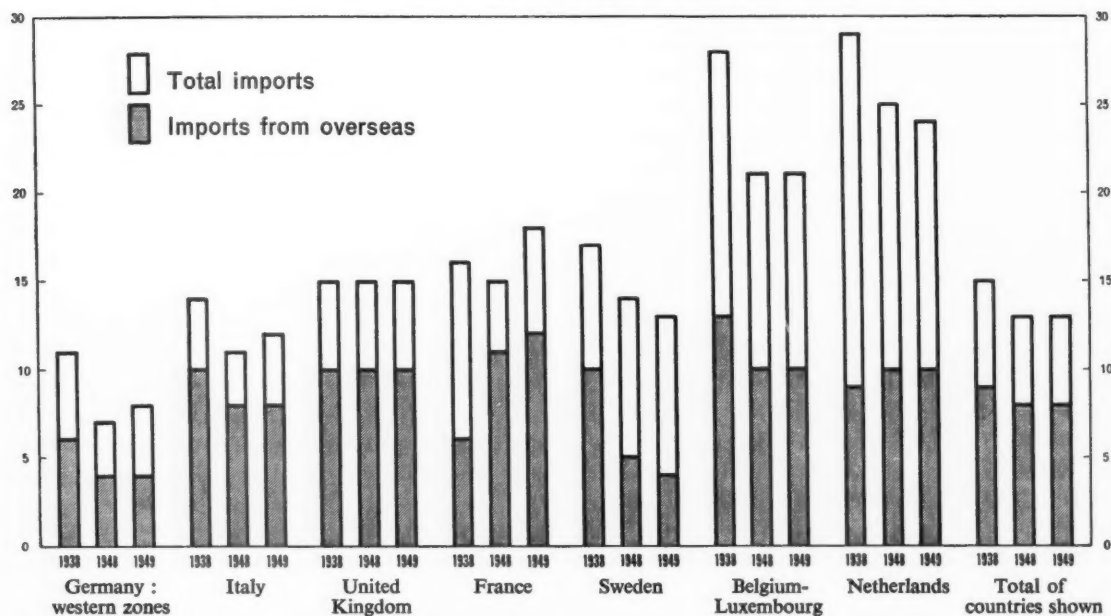
#### Country Comparisons

Germany's industrial production was much less dependent on imported materials before the war than that of the other main industrial countries of Europe, as can be seen from Chart 1. This was partly the result of natural factors—the size and variety of its resources—but partly also of its high tariffs and generally autarkic commercial policy of long standing. At the other extreme, the industrial production of the Netherlands and Belgium-Luxembourg had the highest import-content, while the United Kingdom, Sweden, France and Italy occupied intermediate positions.

Chart 1

#### IMPORT-CONTENT OF INDUSTRIAL PRODUCTION

*Imports of industrial materials as percentage of gross value of industrial production*



NOTE. — Imports of industrial materials (excluding refined petroleum) have been added to the net production of manufacturing industries (excluding food processing) in order to obtain gross production free from duplication.



Table 10

INDUSTRIAL PRODUCTION AND IMPORTS OF INDUSTRIAL MATERIALS BY SELECTED COUNTRIES <sup>a</sup>

Millions of dollars in 1938 prices and index numbers — 1938 = 100

Country	Year	Volume of production	Imports of industrial materials					
			Total		From overseas countries <sup>b</sup>		From Europe	
		Index	Value	Index	Value	Index	Value	Index
Belgium-Luxembourg . . . . .	1938	100	319	100	148	100	171	100
	1948	115	262	82	123	83	139	81
	1949	118	266	83	119	80	147	86
France . . . . .	1938	100	587	100	370	100	217	100
	1948	113	633	108	418	113	215	99
	1949	123	688	117	458	124	230	106
Germany : U.K./U.S. Zone . . . . .	1938	100	627 <sup>c</sup>	100	327 <sup>c</sup>	100	300 <sup>c</sup>	100
	1948	50	187	30	92	28	95	32
	1949	74	330	53	172	53	158	53
Italy . . . . .	1938	100	295	100	120	100	175	100
	1948	99	284	96	204	170	80	46
	1949	105	379	128	237	198	142	81
Netherlands . . . . .	1938	100	268	100	81	100	187	100
	1948	116	253	94	100	123	153	82
	1949	133	277	103	110	136	167	89
Sweden . . . . .	1938	100	189	100	52	100	137	100
	1948	144	217	115	59	113	158	115
	1949	150	209	111	50	96	159	116
United Kingdom . . . . .	1938	100	1,113	100	811	100	302	100
	1948	121	1,041	94	783	97	258	85
	1949	129	1,190	107	844	104	346	115
<hr/>								
Total of countries listed : including Germany <sup>d</sup> . . . . .	1938	100	3,398	100	1,909	100	1,489	100
	1948	100	2,877	85	1,779	93	1,098	74
	1949	113	3,339	98	1,990	104	1,349	91
excluding Germany . . . . .	1938	100	2,771	100	1,582	100	1,189	100
	1948	117	2,690	97	1,687	107	1,003	84
	1949	126	3,009	109	1,818	115	1,191	100

<sup>a</sup> Industrial production includes manufacturing (excluding food processing), mining, building and gas, water and electricity supply. A list of items included in imports of industrial materials is given in the Appendix.

<sup>b</sup> Including imports of the U.S.S.R.

<sup>c</sup> The pre-war figures are estimates. Total imports of industrial materials in 1938 for pre-war Germany amounted to \$703 million, of which \$566 million came from overseas.

<sup>d</sup> U.K./U.S. Zone only.

Italy's autarkic policies mainly manifested themselves in the extensive development of her rayon production; owing to her lack of natural resources, including coal, she was unable to make substantial economies in other fields.

The Netherlands and Belgium were typically countries with an active import and export trade representing the exchange of goods of different qualities or representing different stages of manufacture. Both countries were traditionally importers as well as exporters of coal on a substantial scale, and both countries had an important "improvement trade" in importing and refining non-ferrous ores and concentrates for home use and for re-export—tin in the Netherlands and copper and lead in Belgium. All this activity had a relatively high import-content. Finally, the import-content of textile production was exceptionally high in both countries: in Belgium, because a large proportion of fibres was exported at the semi-finished stage (either as treated fibres, such as washed wool, or as yarns and waste); in the Netherlands, because imports consisted mainly of yarns rather than natural fibres.

The various changes and product-substitutions which have occurred during and since the war have assumed a different importance in each country, as may be seen both in Chart 1 and in Table 10. In most of the countries for which data are given, imports of industrial materials have declined in relation to industrial production and, in general, the relative decline has been greater in intra-European trade than in imports from overseas countries.

The low level of intra-European trade in industrial materials in relation to industrial production is indicative of the partial collapse of the specialization of trade and production in Europe. For instance, in addition to the development of rayon production in substitution for imports of natural fibres from overseas, there seems to have been a fairly general tendency for countries to develop those branches or stages of textile production in which they had previously been dependent on neighbouring countries; the "improvement trade" in non-ferrous metals has been reduced; and the exchange of different qualities of coal among producing countries is largely a thing of the past. These changes seem to have been especially important in Belgium-Luxembourg and the Netherlands, where

the import-content of industrial production, although still substantially higher than in other European countries, has fallen particularly sharply.

Perhaps the most striking instance of decreased specialization is, however, the chemical industry, where Germany was by far the leading supplier before the war. Since the purpose of the widespread development of chemical production in European countries has largely been to provide substitutes for supplies that were unobtainable from Germany during and after the war, the dependence of these countries on imports has declined heavily. Thus, in Sweden, chemical production in 1949 was more than 80 per cent higher than in 1938, whereas imports of chemicals remained at about the pre-war level.

The decline in the import-content of industrial production in the United Kingdom has been chiefly due to the relative expansion of the metal and engineering industries compared with the textile industries, which has been much greater there than in most other countries. There has also been a sharp decline in imports of timber, which in 1949 represented only one-tenth of total imports of industrial materials (valued at 1938 prices) compared with one-sixth in 1938.<sup>1</sup>

While in France there has been no significant reduction in the total import-content of production, Italy is the only one of the leading industrial countries whose imports of industrial materials in 1949 were substantially larger in relation to its industrial production than before the war. At the same time, the proportion derived from overseas sources has greatly increased. In contrast to the general trend, not only has the import-content of both the metal and engineering industries and the textile industries increased in Italy, but also the post-war recovery in metals and engineering has been much slower than that in textiles, so that the increase in the average import-content of Italian production has been accentuated.<sup>2</sup>

<sup>1</sup> A considerable decline in timber imports also contributed to the particularly sharp fall which has been noted in the import-content of production in the Netherlands.

<sup>2</sup> This increase may be temporary, however, since the large expansion in imports of natural fibres last year seems to have been mainly for building up stocks, as noted above. In 1948, the over-all import-content of Italian industry was little different from pre-war, although with a marked increase in the relative importance of overseas sources.

### 3. INDUSTRIAL PRODUCTION AND EXPORTS<sup>1</sup>

Although the relationship between production and trade is less direct for exports than for imports, the greatest expansion in European manufacturing production in countries outside Germany has in fact been in those goods for which world demand has expanded most; that is, in capital equipment. As shown in Table 11,<sup>2</sup> engineering production outside Germany was half as large again in 1949 as in 1938, while the volume of exports had more than doubled. In contrast to the expansion in engineering, both the production and exports of textiles only just exceeded the pre-war level in 1949, while the increase of one-third in exports of chemicals was smaller than the increase in production. Even if Germany is included, the same general picture emerges.

For manufacturing production as a whole, including branches of production additional to those shown separately in Table 11, the comparative movements of the production and trade indices indicate that the proportion of output exported to overseas markets was already about one-sixth greater in 1948 than before the war and rose further in 1949. The volume of intra-European trade in manufactures, on the other hand, was still smaller in 1949 than in 1938, and had fallen considerably in relation to production. The recent trends towards liberalization of trade among western European countries, may, however, tend to restore the pre-war relationship in western Europe.<sup>3</sup>

The low level of exports of manufactured goods in intra-European trade as compared with production is, in many respects, simply the obverse of the relatively low level of imports of industrial materials from European sources and the decrease in industrial specialization which have been discussed above. Thus, the development of chemical production has been largely

for the home market in countries formerly dependent on Germany; and their exports, to overseas as well as to Europe, have not kept pace with the growth in production compared with 1938, although exports have increased substantially in absolute volume and rose faster than production from 1948 to 1949. The reduced importance of the refining of non-ferrous metals in Belgium and the Netherlands has affected the export ratios in those countries, because, as already mentioned, in this industry the import-content of production, which is excluded from the indices of manufacturing production but included in the export figures, is exceptionally high.

Among the countries included in Table 12, French exports have shown the greatest increase since the war in relation to production as the result of a sharp expansion in 1949. In engineering goods in particular, France exported some three times as much in 1949 as in 1938, against an increase of some 40 per cent in production. France also showed the largest increase in exports of textile manufactures relatively to production, exports being nearly 50 per cent greater than in 1938 while production was about the same. These increases, however, have been achieved by comparison with a relatively small pre-war trade. French exports of manufactures before the war were very much less than those of either the United Kingdom or Germany and, as may be seen in Chart 2<sup>1</sup> represented a considerably smaller part of total French industrial production than was typical of any of the other countries shown.

The over-all increase since the war in the proportion of Europe's manufacturing production exported has been very largely due to the expansion of British exports. Because of the substantial expansion in production in the United Kingdom combined with an increase of about one-tenth in the proportion exported, British exports have more than offset the shortfall in

<sup>1</sup> Since Europe's exports to overseas markets consist mainly of industrial products, this section does not deal with agricultural products. Intra-European trade in food and feeding-stuffs in relation to European production has already been considered in the preceding section.

<sup>2</sup> The figures for trade in 1949, given in Table 11, which includes the 14 leading industrial countries of Europe, relate to the first nine months of the year, expressed at an annual rate, and do not therefore reflect changes in the final quarter. The trade figures include semi-manufactures such as textile yarns and chemical products since these are counted as part of industrial production; the figures are therefore broader in scope than those for finished manufactures given in Table 1. For other details concerning the methods of computation, see the Appendix.

<sup>3</sup> For comments on some of the offsets of trade liberalization up to this time, see the "Review of the Economic Situation in Europe, January-March 1950" in this issue.

<sup>1</sup> Chart 2 shows exports of all industrial products as a proportion of total industrial production (including mining, construction, and output of public utilities) since it is not possible, from available statistics, to calculate the gross value, free from duplication, for manufacturing industry only. The comparative movements shown differ from those which may be observed in Table 12 which relate to manufacturing production only. The major discrepancy is for Belgium-Luxembourg, where the index numbers for manufacturing given in Table 12 show a decline in the export proportion since the war, whereas an increase is indicated in the chart since the low level of mining output in Belgium depresses the whole index of industrial production.

Table 11

PRODUCTION AND EXPORTS OF MANUFACTURES <sup>a</sup>

Millions of dollars in 1938 prices and index numbers — 1938 = 100

Industrial sector	Year	Volume of manufacturing production	Exports of manufactures					
			Total		To overseas countries <sup>b</sup>		To Europe	
			Value	Index	Value	Index	Value	Index
<b>Engineering</b>								
Including Germany <sup>c</sup> . . . . .	1938	100	1,412	100	766	100	646	100
	1948	97	1,918	136	1,158	151	759	117
	1949 <sup>d</sup>	115	2,313	164	1,442	188	871	135
Excluding Germany . . . . .	1938	100	1,006	100	632	100	374	100
	1948	136	1,865	185	1,154	183	711	190
	1949 <sup>d</sup>	150	2,207	219	1,429	226	778	208
<b>Textiles</b>								
Including Germany <sup>c</sup> . . . . .	1938	100	1,085	100	644	100	441	100
	1948	86	900	83	609	95	291	66
	1949 <sup>d</sup>	98	1,062	98	725	113	337	76
Excluding Germany . . . . .	1938	100	1,006	100	626	100	380	100
	1948	97	855	85	595	95	261	69
	1949 <sup>d</sup>	103	1,017	101	709	113	308	81
<b>Chemicals</b>								
Including Germany <sup>c</sup> . . . . .	1938	100	534	100	242	100	292	100
	1948	109	443	83	215	89	229	78
	1949 <sup>d</sup>	120	486	91	232	96	253	87
Excluding Germany . . . . .	1938	100	320	100	167	100	153	100
	1948	142	398	124	208	125	190	124
	1949 <sup>d</sup>	148	422	132	221	132	201	131
<b>Total manufactures :</b>								
including Germany <sup>c</sup> . . . . .	1938	100	5,296	100	2,698	100	2,598	100
	1948	99	5,242	99	3,066	114	2,176	84
	1949 <sup>d</sup>	114	6,133	116	3,685	137	2,449	94
excluding Germany . . . . .	1938	100	4,040	100	2,281	100	1,759	100
	1948	118	5,018	124	3,024	133	1,994	113
	1949 <sup>d</sup>	128	5,717	142	3,590	157	2,127	121

<sup>a</sup> The figures relate to the production and trade of Austria, Belgium-Luxembourg, Czechoslovakia, Denmark, Finland, France, western zones of Germany, Greece, Ireland, Italy, the Netherlands, Norway, Sweden and the United Kingdom. Production excludes mining, building, gas, water and electricity supply, and food processing. See "Notes to the Statistics" for the definition of "manufactures".

<sup>b</sup> Including exports to the U.S.S.R.

<sup>c</sup> Western zones only.

<sup>d</sup> For exports, annual rate for first 9 months.



Table 12

PRODUCTION AND EXPORTS OF MANUFACTURES BY SELECTED COUNTRIES <sup>a</sup>

Millions of dollars in 1938 prices and index numbers — 1938 = 100

Country	Year	Volume of manu- facturing production	Exports of manufactures <sup>b</sup>					
			Total		To overseas countries		To Europe	
		Index	Value	Index	Value	Index	Value	Index
Belgium-Luxembourg . . . . .	1938	100	460	100	144	100	316	100
	1948	131	484	105	173	120	311	98
	1949 <sup>c</sup>	130	597	130	228	158	369	117
France . . . . .	1938	100	521	100	261	100	260	100
	1948	111	563	108	373	143	190	73
	1949 <sup>c</sup>	122	815	156	553	212	262	101
Germany : western zones . . . . .	1938	100	1,255	100	416	100	839	100
	1948	45	224	18	42	10	182	22
	1949 <sup>c</sup>	72	417	33	95	23	322	38
Italy . . . . .	1938	100	281	100	192	100	89	100
	1948	89	317	113	192	100	125	140
	1949 <sup>c</sup>	98	334	119	203	106	131	147
Netherlands . . . . .	1938	100	265	100	129	100	136	100
	1948	117	204	77	84	65	120	88
	1949 <sup>c</sup>	135	265	100	121	94	144	106
Sweden . . . . .	1938	100	212	100	73	100	139	100
	1948	150	216	102	92	126	124	89
	1949 <sup>c</sup>	156	239	113	105	144	134	96
United Kingdom . . . . .	1938	100	1,738	100	1,329	100	409	100
	1948	130	2,728	157	1,975	149	753	184
	1949 <sup>c</sup>	140	2,949	170	2,225	167	724	177
Total of countries listed : including Germany <sup>d</sup> . . . . .								
			1938	100	4,732	100	2,544	100
			1948	97	4,736	100	2,931	115
			1949 <sup>c</sup>	112	5,616	119	3,530	139
excluding Germany . . . . .								
			1938	100	3,477	100	2,128	100
			1948	120	4,512	130	2,889	136
			1949 <sup>c</sup>	129	5,199	150	3,435	161

<sup>a</sup> Production excludes mining, building, gas, water and electricity supply and food processing. See "Notes to the Statistics" for the definition of "manufactures."

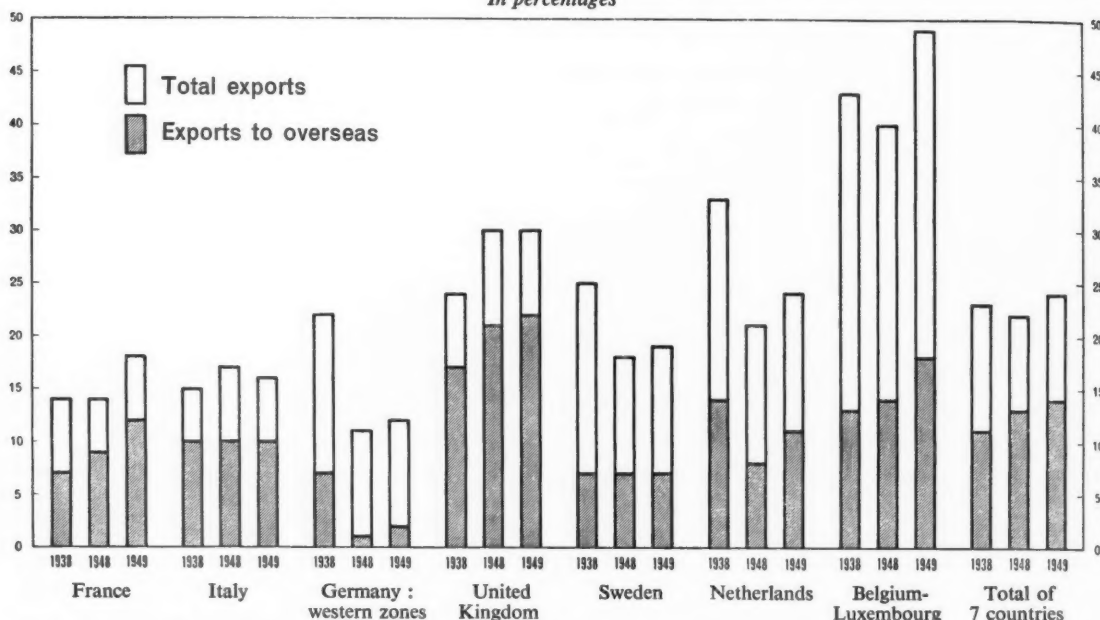
<sup>b</sup> Including exports to the U.S.S.R.

<sup>c</sup> For exports, annual rate for first 9 months.

<sup>d</sup> Western zones only.

Chart 2

PROPORTION OF INDUSTRIAL PRODUCTION EXPORTED  
In percentages



NOTE. — Production comprises manufacturing (excluding food processing), mining, building and gas, water and electricity supply.  
Exports comprise manufactures (commodity groups 3 to 9 shown in the SURVEY) plus mining products (coal and iron ore).  
Exports have been related to gross production (net production plus imported raw materials).

western German exports ; and most of this expansion has been directed to overseas markets, whereas Germany's principal markets were in Europe. The increase has been especially marked in engineering goods, of which the United Kingdom exports a much larger proportion of its production than any other major country. In 1938, British goods amounted to some \$550 million or about 40 per cent of the total exports of engineering goods to both European and non-Euro-

pean destinations from the fourteen leading European suppliers included in Table 11. The United Kingdom thus ranked ahead of western Germany as an exporter, although its production was only about two-thirds as great. In 1949, western German engineering exports were only about one-quarter as large as in 1938, while British exports had increased to some \$1,400 million (in 1938 prices) or some 60 per cent of the total for the fourteen countries.

\* \* \*

The relationship between European production and trade, as seen in the preceding analysis, has already undergone substantial modifications which are, in the main, along the lines necessary for a solution of Europe's balance-of-payments problem. The adjustments are particularly striking with respect to imports of industrial materials from overseas, which are now slightly less than before the war in absolute amount and considerably less as compared with the over-all increase achieved in industrial production. Accompanying this development in overseas imports, there has been an even greater decline in intra-European trade in industrial materials reflecting a reduced

degree of specialization in industry between European countries.

These changes in trade in industrial materials illustrate the considerable adaptability of modern industry, and the large scope for substitution within the broad range of materials which it uses. Limitations in the supply of industrial materials during and since the war have stimulated the development and use of new types of products requiring relatively little imported materials for their production (such as synthetic fibres, plastic materials, and synthetic detergents) and the greatly increased use of scrap and waste materials of all kinds. The increased use of non-

ferrous scrap has resulted in important savings in foreign exchange, and waste paper and other waste materials have also been reclaimed on a much larger scale than before the war.

The effect of these industrial developments, which appear likely to continue even if the present balance-of-payments difficulties should become less acute, has been reinforced by the structural shift in European production towards an expansion of industries requiring small amounts of imported materials, notably the engineering and chemical industries, compared with the textile industry.

In agriculture, few such basic changes can be seen so far in the relationship between imports and production. This is chiefly because the slower rate of recovery in Europe's agriculture than in its industrial production has so far given little scope for a reduction in food imports. Should large reductions in overseas imports become necessary for balance-of-payments reasons, however, a considerable part of the cut would

undoubtedly have to fall on imports of food and feeding-stuffs in order to avoid as far as possible a dislocation of industrial production owing to an abrupt curtailment in supplies of industrial materials. Recent trends in European agriculture suggest that, if preparations are made sufficiently in advance, it should, in fact, be possible to reduce overseas food imports substantially. This is because, in most countries, overseas imports provide only a marginal part of food consumption. This means that, while at low levels of agricultural production food imports are critically important, a relatively small expansion in production would make it possible for large economies to be made.

Whether such economies will in fact prove necessary, or whether Europe will be able to increase its imports of meat and fats, of which its consumption is still well below the pre-war level, depends primarily on the success or failure of its efforts to expand its exports of manufactures to overseas markets.

## Appendix

### SOURCES AND METHODS USED IN THE ARTICLE "CHANGES IN THE RELATIONSHIP BETWEEN EUROPEAN PRODUCTION AND TRADE"

#### 1. GENERAL

The data shown in the various tables have generally been taken from published official statistics. Many adjustments have had to be made to the official figures, however, in order to make the production and trade statistics more comparable. In addition, where official statistics are lacking, estimates have been made. As a result, the data shown are subject to many qualifications, the most important of which are explained below.

All calculations were made in 1938 prices. The available production indices for most of the European countries are based on a pre-war weighting system, and the trade figures have had to be presented on a comparable basis. It follows, however, that the relationships shown for post-war years do not take into account changes in the price structure compared with pre-war.

The area referred to in the tables as Europe is the whole of Europe, excluding the Soviet Union, unless otherwise specified. The trade between European countries and the Soviet Union is treated as overseas trade.

#### 2. TOTAL PRODUCTION AND TRADE (Table 1)

##### (a) Production

The production data are based on the data shown in Appendix Table IV of the *Economic Survey of Europe in 1949*. Food processing, however, has been separated from industrial production and added to agricultural output. For this purpose, the value of the production of the food industry in 1938 was estimated on the basis of the relative weight of this industry in total industrial production attributed to it in the various national production indices. Estimates were made for countries for which food processing is not included in the national production indices or no national index numbers are available. The output of the food industry and total industrial output, excluding the food industry, in post-war years, were arrived at by applying appropriate indices to the 1938 output. These indices were also derived from the national index numbers, supplemented by estimates where official figures were not available. Differences between the figures shown in Table 1 and those in Table IV of the *SURVEY* are due to the fact that in the *SURVEY*, in cases where the national index of industrial production did not include the food industry, this index has nevertheless been applied to the 1938 value of production including food processing, on the assumption that the exclusion of the food industry does not affect the total index.

Because of the very rough nature of the calculations, the production figures in Table 1 have been rounded to the nearest half-billion dollars.

##### (b) Trade

The trade figures distinguish between : (i) Food and feeding-stuffs  
(ii) Industrial raw materials, and  
(iii) Manufactures.

The figures shown are comparable with those of Table 47 of the *Economic Survey of Europe in 1948*, with the following exceptions : (i) The Soviet Union is included among "Non-European countries". (ii) Refined petroleum has been included in manufactures.

#### 3. FOOD AND FEEDING-STUFFS (Tables 2 and 3)

The figures have generally been taken from various F.A.O. publications and from national trade statistics, with the exceptions mentioned below. The production figures for some commodities (as stated below) are estimates. For bread grain and coarse grain, imports from the Soviet Union are included under imports from overseas ; imports of other commodities from the Soviet Union in 1948 and 1949 are not included owing to lack of statistical information, but the European totals are unlikely to be significantly affected. All figures relate to general trade. Although the scope of production and trade statistics is not always strictly comparable, the relative movements of the different series since pre-war are substantially comparable.

**Bread grain.** — Flour is included in the trade figures in its grain equivalent. Conversion factor : 1 ton flour = 1.25 tons grain.

**Oilcakes.** — Production figures refer to 1934-1938, 1947/48 and 1948/49. The break-down as between imports from overseas and from European countries is estimated.

**Raw sugar.** — All data refer to crop years beginning in the calendar years stated. The 1949 production figures have been taken from *Sugar*, New York, 31 May 1950.

**Animal and vegetable fats and oils.** — The figures include all animal and vegetable fats and oils, with the exception of butter and oil from oilseeds. The production figures include estimates for the production of whale oil in 1949. Conversion factor for the conversion of the trade figures to oil equivalent : 1 ton product weight = 0.9 ton of oil.



*Oilseeds.* — The figures include groundnuts, linseed, cotton seed, palm kernels, copra and soya beans.

*Refined sugar.* — The production figures refer to apparent consumption of unrefined sugar converted into refined sugar by the conversion factor : 1 ton unrefined sugar = 0.9 ton refined sugar.

*Butter* — The figure for 1949 production is an estimate based on information regarding the production of milk.

*Cheese.* — The figure for 1949 production is an estimate based on milk production.

*Eggs.* — The 1948 and 1949 production figures are based on data shown in *Foreign Crops and Markets*, United States Department of Agriculture. For trade, the following conversion factors have been used :

1 ton frozen eggs = 1.2 tons shell eggs.

1 ton dried eggs = 4.44 tons shell eggs.

*Manufactured tobacco.* — The production figures refer to apparent consumption of raw tobacco converted into manufactured tobacco by the conversion factor :

1 ton raw tobacco = 0.83 ton manufactured tobacco.

*Wine.* — The 1949 production has been estimated on the basis of data shown in *Foreign Crops and Markets*, United States Department of Agriculture. The 1949 imports are estimated.

*Milk.* — The production figures for 1938 and 1949 have been taken from the *Food and Agricultural Statistics*, F.A.O., June 1950, supplemented by estimates based on data shown in the *International Yearbook of Agricultural Statistics*, International Institute of Agriculture.

#### 4. INDUSTRIAL MATERIALS (Tables 4, 5, 6, 7, 8 and 10, and Chart 1)

##### (a) Production

The production indices shown in Tables 4, 6, 7 and 10 have been derived from national statistics and are generally comparable with those given in the section "European Economic Statistics" of this *Bulletin*. However, for the comparison of imports of raw materials and industrial production, it was necessary to include building activity in the production index, since no distinction can be made between raw materials used in the building industry and in other industries. The index numbers for building activity have been taken from Table 8 of the *SURVEY*. Food processing has been excluded throughout.

The index numbers of production in the metal and engineering industries given in Table 6 differ from those shown in Table II of the section "European Economic Statistics" because of the inclusion of the metallurgical industry.

For the calculation of the import-content of production, the results of which are given in Chart 1, imports of raw materials have been compared with the gross production. Since no data on gross production free from duplication are available for most European countries, estimates were made by adding the value of imported raw materials to the net value of production of manufacturing industries, including mining, public utilities and building, but excluding food. The figures thus obtained differ from gross production because no account has been taken of transport costs and other services, or of raw materials produced by other sectors of the national economy — for instance, raw materials produced by agriculture. The percentages of import-contents shown on the chart are therefore over-estimated, but it is believed that their movement is not considerably influenced.

When index numbers of production are compared with data on trade, differences in coverage cannot always be avoided ; and when the comparison is between individual industries, the effect of the difference in coverage may be considerable. For example, the production index for chemicals for certain countries includes seed crushing; for some countries, seed crushing is included in food processing, and yet others do not include it in their production indices at all, while imports of industrial raw materials, shown in Tables 4 and 10, exclude oilseeds throughout. The exclusion of seed crushing would not, however, significantly change the index numbers of total industrial production shown in Tables 4 and 10.

The production data of selected industrial materials shown in Table 5 have generally been derived from national statistics. The figures for most of the commodities correspond with those published in the *SURVEY* and in the Section "European Economic Statistics" of this *Bulletin*. Special notes have to be made for the following commodities :

*Non-ferrous ores and metals.* — Apart from national statistics, use has been made of the *League of Nations Yearbook* and data published by the American Bureau of Metal Statistics. The figures on non-ferrous metals refer to smelter production.

*Raw cotton and raw wool.* — The production data refer to crop years beginning in the calendar years stated.

*Wood-pulp.* — The production figures were taken from the Records of the Preparatory Conference on Wood Pulp Problems, June 1949, F.A.O.

##### (b) Trade

The raw materials included under the various headings of Tables 4, 6, 7 and 10 are the following :

<i>Ores and metals</i>	<i>Textile materials</i>	<i>Other industrial materials</i>
Iron ore	Raw wool	Coal
Ferrous scrap	Raw cotton	Coke
Bauxite	Jute	Lignite
Pyrites	Hemp	Crude petroleum

<i>Ores and metals</i>	<i>Textile materials</i>	<i>Other industrial materials</i>
Other non-ferrous ores	Linen	Cement
Pig-iron and ferro-alloys	Wool yarns	Timber
Crude and finished steel	Cotton yarns	Wood-pulp
Copper	Silk yarns	Newsprint
Lead	Rayon filament yarn and staple	Hides and skins
Zinc	fibre	Rubber
Aluminium		Sulphur
Tin		Fertilizers
		Other chemical materials

The break-down as between imports from overseas and from European countries has been estimated in those cases where complete country detail is not shown in the published statistics. For Sweden, the 1949 division between imports from overseas and from European countries was estimated on the basis of the 1948 proportions.

The 1938 prices are the average c.i.f. prices established for each of the countries listed in the tables on the basis of national statistics. For the group "other chemical materials", however, this method could not be employed. For this group, the current 1948 and 1949 values have been taken and have been deflated to 1938 prices by means of import unit values or price index numbers for chemical products. For all commodities, the same average c.i.f. prices have been used both for imports from overseas and from European countries. The figures for the Bizone in 1938 have been estimated on the basis of the break-down of German "Trade by Zones in 1936" as published in *Statistische Praxis*, December 1947. The figures for France do not include sulphur and newsprint.

## 5. EUROPE'S ENERGY BALANCE (Table 9)

### (a) *In terms of coal equivalent*

The figures shown in Table 9 correspond to the data given in the SURVEY, p. 12. Slight discrepancies are due to revisions or rounding. The methods of computation are explained on p. 231 of the SURVEY.

### (b) *In terms of value at 1938 prices*

The quantity figures given in Table 5 have been converted into quantities of final consumption—i.e., crude petroleum has been converted into refined petroleum, coal consumed in thermal-electric power plants into electricity. Conversion factors: 1 ton of crude petroleum = 0.9 ton of refined petroleum, 1 ton of coal = 1,590 kWh. The quantities thus obtained were converted into values by means of appropriate prices. The prices used were the following, which were converted into dollars at the exchange rate of 1 RM = \$0.40 for Germany and at official 1938 rates of exchange for other countries.

## Production

<i>Refined petroleum:</i>	Export unit values of the United Kingdom and France, weighted according to the home production in these countries.
<i>Lignite:</i>	Average German price.
<i>Coal:</i>	Average home market prices of Belgium, France, Germany, the Netherlands and the United Kingdom.
<i>Electric energy:</i>	Average consumption price for Denmark, France, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

## Trade

### IMPORTS

<i>All items:</i>	Weighted unit values of imports into Belgium, France, Germany, Italy, the Netherlands, Sweden and the United Kingdom.
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### EXPORTS

<i>Refined petroleum:</i>	Weighted unit values of exports to overseas from France, Rumania and the United Kingdom.
<i>Coal and coke:</i>	Unit values of overseas exports of the United Kingdom have been used for all exporting countries.

## 6. MANUFACTURES (Tables 11 and 12, Chart 2)

### (a) *Production*

The production indices given in Tables 11 and 12 refer to manufacturing industries, excluding food, mining, public utilities and building. These index numbers have been derived from those published in the section "European Economic Statistics". For the calculation of the proportion of production exported as shown in Chart 2, the trade figures have again been related to gross

production free from duplication. In this case where exports of manufactures are compared with production, the gross production figures should include manufacturing industry proper. However, reliable estimates of gross production for this sector could not be made, and therefore production, as in Chart 1, refers to industrial production including mining, public utilities and building, but excluding food processing. In order to make the trade figures more comparable with these production data, the exports of mining products (coal and iron ore) have been added to the exports of manufactures. For the reasons set out above under 4 (a), the method used understates the gross production value, while the export figures include certain transport and merchants' charges which would not in any case be included in the figures for gross value of production. Although all the percentages shown in the charts are therefore somewhat over-estimated, the movements since pre-war are unlikely to be significantly affected.

(b) *Trade*

The figures on exports of manufactured products have been derived from studies made for the SURVEY, and the description of the methods employed is given in the Appendix on p. 261. The data shown include Groups 3 to 9 listed on p. 263. For the reasons explained above, all data are expressed in pre-war prices. The original figures in national currencies for the years 1948 and 1949 were therefore adjusted to 1938 prices by use of special price indices computed for each commodity group for each country. The price indices used have, in principle, been unit values of trade for each commodity group weighted according to post-war trade values. Where no unit value index numbers were available, wholesale price indices or specially computed unit values for the principal items included in each commodity group were used. The figures were then converted into dollars at 1938 exchange rates.





## EUROPEAN ECONOMIC STATISTICS<sup>1</sup>

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### SYMBOLS EMPLOYED

The following symbols have been used throughout this BULLETIN :

- .. = not available
- = nil or negligible
- \* = provisional estimate by the Secretariat of the  
Economic Commission for Europe

In referring to combinations of years, the use of an oblique stroke—*e.g.*, 1947/48—signifies a 12-month period (say from 1 July 1947 to 30 June 1948). The use of a hyphen—*e.g.*, 1947-1948—signifies an average of the full period of calendar years covered (including the end years indicated).

Unless the contrary is stated, the standard unit of weight used throughout is the metric ton. The definition of "billion" used throughout is one thousand millions. Minor discrepancies in totals and percentages are due to rounding.

<sup>1</sup> For notes on the sources and methods used in the compilation of the statistics, see pages 61 and 62.

**Table I**  
**INDEX NUMBERS OF INDUSTRIAL PRODUCTION**

Country	1938=100			1948=100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	56 <sup>b</sup>	89 <sup>b</sup>	119 <sup>b</sup>	110	112	133	139	150	150
Belgium . . . . .	106	114	116	103	105	104	95	102	102
Bulgaria . . . . .	145	175	227	122	132	..	148	130	161
Czechoslovakia . . . . .	87 <sup>b</sup>	103 <sup>b</sup>	111 <sup>b</sup>	107	104	111	101	116	..
Denmark . . . . .	128	139	144	107	104	108	100	114	113
Finland . . . . .	117	133	139	105	103	105	98	112	109
France . . . . .	92	107	119	102	112	117	101	110	110
Saar . . . . .	50	69	85	113	122	123	125	131	130
Germany : western zones . . . . .	33	50	75	126	139	146	148	162	164
Greece . . . . .	70	75	90	117	107	115	121	130	127
Ireland . . . . .	122	140	151	106	100	107	105	117	114
Italy . . . . .	93	98	104	106	97	111	108	110	111
Luxembourg . . . . .	89	118	113	..	111	102	90	80	91
Netherlands . . . . .	94	113	127	108	107	111	109	122	118
Norway . . . . .	115	128	138	105	112	111	94	114	121
Poland . . . . .	104 <sup>c</sup>	135 <sup>c</sup>	166 <sup>c</sup>	113	117	121	127	134	..
Spain . . . . .	119 <sup>d</sup>	124 <sup>d</sup>	129 <sup>d</sup>	100	107	107	102	102	..
Sweden . . . . .	141	150	156	..	106	107	103	110	111
United Kingdom . . . . .	115	128	137	105	107	107	102	112	117
Total of countries listed : including Germany <sup>e</sup> . . . . .	86	100	114	107	111	114	109	119	121
excluding Germany . . . . .	103	116	125	105	107	110	104	113	115
U.S.S.R. . . . .	93 <sup>f</sup>	118 <sup>f</sup>	141 <sup>f</sup>	108	114	114	119	130	138
United States <sup>g</sup> . . . . .	210	216	197	101	98	91	88	90	95

<sup>a</sup> Provisional.  
<sup>b</sup> 1937=100.

<sup>c</sup> Post-war production in post-war territory has been related to 1938 production in the pre-war territory.

<sup>d</sup> 1935=100.

<sup>e</sup> Western zones only.

<sup>f</sup> 1940=100.

<sup>g</sup> Adjusted for seasonal movements.

**Table II**  
**INDEX NUMBERS OF ENGINEERING PRODUCTION**

Country	1938 = 100			1948 = 100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	56 <sup>b</sup>	98 <sup>b</sup>	152 <sup>b</sup>	124	134	146	151	190	181
Belgium . . . . .	113	126	122	104	102	104	92	89	90
Czechoslovakia . . . . .	97 <sup>b</sup>	120 <sup>b</sup>	131 <sup>b</sup>	106	108	109	102	118	..
Denmark . . . . .	140	156	163	105	105	106	95	112	115
Finland . . . . .	175	211	236	103	105	103	93	112	108
France . . . . .	98	120	141	108	116	128	112	113	109
Germany : western zones . . . . .	22	39	66	138	157	161	161	188	188
Greece . . . . .	19	27	31	119	106	113	108	134	115
Ireland . . . . .	143	215	206	96	88	95	91	109	110
Italy . . . . .	80	80	79	102	98	101	97	102	..
Netherlands . . . . .	93	122	146	110	112	120	121	126	123
Norway . . . . .	130	148	149	105	109	106	83	106	108
Sweden . . . . .	154	160	168	..	..	..	..	..	..
United Kingdom . . . . .	132	151	164	104	107	109	104	114	117
Total of countries listed : including Germany <sup>c</sup> . . . . .	79	97	115	111	116	121	114	126	126
excluding Germany . . . . .	114	132	146	105	109	113	105	114	114

<sup>a</sup> Provisional.

<sup>b</sup> 1937=100.

<sup>c</sup> Western zones only.

**Table III**  
**INDEX NUMBERS OF CHEMICAL PRODUCTION**

Country	1938 = 100			1948 = 100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	77 <sup>b</sup>	145 <sup>b</sup>	167 <sup>b</sup>	104	93	121	125	123	134
Belgium . . . . .	130 <sup>c</sup>	150 <sup>c</sup>	152 <sup>c</sup>	111	104	106	97	..	..
Czechoslovakia . . . . .	102 <sup>b</sup>	124 <sup>b</sup>	134 <sup>b</sup>	109	105	110	101	116	..
Denmark . . . . .	100	114 <sup>d</sup>	126 <sup>d</sup>	118	113	110	102	118	123
Finland . . . . .	154	178	183	102	101	103	98	111	115
France . . . . .	97	114	114	95	104	105	89	101	103
Germany : western zones . . . . .	34	49	69	121	135	140	141	148	157
Greece . . . . .	59	63	81	138	114	126	136	138	121
Ireland . . . . .	103	109	122	121	113	111	104	122	132
Italy . . . . .	85	93	101	103	97	107	116	105	105
Netherlands . . . . .	83	105	110	103	106	103	98	112	..
Norway . . . . .	111	119	158	101	126	132	126	150	163
Poland . . . . .	147 <sup>e</sup>	215 <sup>e</sup>	..	109	..	..	..	..	..
Sweden . . . . .	163	183	..	..	..	..	..	..	..
United Kingdom . . . . .	161	184	189	104	104	105	96	107	111
Total of countries listed : including Germany <sup>f</sup> . . . . .	91	111	123	107	109	113	107	115	119
excluding Germany . . . . .	119	141	149	104	104	107	99	108	111

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100.

<sup>c</sup> 1936 - 1938 = 100.

<sup>d</sup> The indices for 1948 and 1949 have been linked to an estimated index relating 1947 to 1938.

<sup>e</sup> Post-war production in the post-war territory has been related to 1938 production in the pre-war territory.

<sup>f</sup> Western zones only.

**Table IV**  
**INDEX NUMBERS OF TEXTILE PRODUCTION**

Country	1938= 100			1948= 100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	31 <sup>b</sup>	51 <sup>b</sup>	77 <sup>b</sup>	119	132	147	148	179	194
Belgium . . . . .	130	116	120	97	102	103	98	110	117
Czechoslovakia <sup>c</sup> . . . . .	60 <sup>b</sup>	77 <sup>b</sup>	81 <sup>b</sup>	109	105	110	90	118	..
Denmark <sup>c</sup> . . . . .	108	134	140	107	106	105	91	119	123
Finland . . . . .	97	110	125	116	111	115	107	121	125
France . . . . .	89	102	101	104	103	107	86	102	107
Germany : western zones . . . . .	25	41	75	129	153	175	184	217	224
Greece . . . . .	90	89	100	113	106	108	115	125	125
Ireland . . . . .	139	152	167	112	112	103	98	128	123
Italy . . . . .	92	91	99	109	108	118	108	112	113
Netherlands . . . . .	87	105	122	110	111	115	110	127	130
Norway . . . . .	124	144	154	104	114	112	87	112	123
Sweden <sup>c</sup> . . . . .	125	137	144	103	108	107	101	105	114
United Kingdom . . . . .	81	95	102	102	108	105	102	114	121
Total of countries listed : including Germany <sup>d</sup> . . . . .	74	85	96	107	111	115	107	122	127
excluding Germany . . . . .	86	96	101	104	107	109	99	112	117

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100.

<sup>c</sup> Including ready-made clothing.

<sup>d</sup> Western zones only.

Table V  
INDEX NUMBERS OF BUILDING MATERIALS PRODUCTION<sup>a</sup>

Country	1938 = 100			1948 = 100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>b</sup>
Austria . . . . .	49 <sup>c</sup>	108 <sup>c</sup>	143 <sup>c</sup>	112	77	139	166	145	98
Belgium . . . . .	91 <sup>d</sup>	95 <sup>d</sup>	70 <sup>d</sup>	81	68	69	75	85	111
Czechoslovakia . . . . .	92 <sup>c</sup>	110 <sup>c</sup>	112 <sup>c</sup>	100	82	107	111	109	..
Denmark . . . . .	112	127	136	102	86	115	114	112	93
Finland . . . . .	104	128	144	95	94	112	139	107	97
France . . . . .	105	125	127	100	105	106	92	101	101
Germany : western zones . . . . .	31	53	78	133	120	151	163	160	133
Greece . . . . .	59	87	99	120	105	110	116	127	107
Ireland . . . . .	146	207	251	101	116	127	112	129	118
Italy . . . . .	90	94	109	103	92	123	119	121	120
Netherlands . . . . .	72	95	111	113	111	104	116	129	125
United Kingdom . . . . .	128	150	156	100	104	104	101	107	108
Total of countries listed : including Germany <sup>e</sup> . . . . .	83	103	113	105	101	112	113	116	111
excluding Germany . . . . .	107	125	129	99	97	104	103	108	107

<sup>a</sup> Comprising production of bricks, tiles, cement, glass, ceramics and other non-metallic mineral products.

<sup>b</sup> Provisional.  
<sup>c</sup> 1937 = 100.

<sup>d</sup> 1936-1938 = 100.  
<sup>e</sup> Western zones only.

Table VI  
INDEX NUMBERS OF EMPLOYMENT IN INDUSTRY

Country	1938 = 100			1948 = 100					
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	121 <sup>b</sup>	139 <sup>b</sup>	154 <sup>b</sup>	105	105	109	112	115	116
Belgium . . . . .	117 <sup>b</sup>	120 <sup>b</sup>	112 <sup>b</sup>	100	97	96	92	90	88
Czechoslovakia . . . . .	98 <sup>b</sup>	104 <sup>b</sup>	108 <sup>b</sup>	103	104	103	104	107	..
Denmark <sup>c</sup> . . . . .	131	138	144	105	102	107	98	112	113
Finland . . . . .	124	130	130	100	100	101	101	101	101
France . . . . .	106	109	111	101	102	102	102	102	102
Germany : western zones . . . . .	88	99	107	105	108	108	108	110	110
Ireland . . . . .	118	122	125	101	102	103	103	104	..
Italy . . . . .	105	105	104	99	98	99	100	99	..
Netherlands . . . . .	129	145	152	103	105	105	106	107	107
Norway . . . . .	132	143	148	102	104	104	104	106	107
Poland . . . . .	120	136	158	107	109	112	118	125	..
Sweden . . . . .	130	131	132	101	101	101	100	101	100
Switzerland . . . . .	148	151	141	100	97	95	93	92	91
United Kingdom . . . . .	108	113	115	101	101	101	101	102	103
Total of countries listed : including Germany <sup>d</sup> . . . . .	104	110	114	102	103	103	103	105	105
excluding Germany . . . . .	108	113	116	102	102	102	102	104	104

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100.

<sup>c</sup> Quarterly indices refer to man-hours worked.

<sup>d</sup> Western zones only.



**Table VII**  
**PRODUCTION OF COAL <sup>a</sup>**

Monthly averages or calendar months

Millions of tons

Country	Average			1948 Fourth quarter	1949				1950			
	1938	1948	1949		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	January	February	March
Belgium . . . . .	2.47	2.22	2.32	2.40	2.46	2.39	1.99	2.44	2.43	2.48	2.27	2.53
Czechoslovakia . . . . .	1.32	1.48	1.42	1.54	1.51	1.37	1.32	1.47	..	..	..	..
France . . . . .	3.88	3.61	4.27	2.43	4.46	4.21	4.04	4.35	4.54	4.68	4.28	4.67
Saar . . . . .	1.20	1.05	1.20	1.12	1.16	1.14	1.20	1.28	1.28	1.34	1.20	1.31
Germany : U.K./U.S. Zone . . . . .	11.54	7.38	8.73	8.01	8.45	8.25	8.99	9.24	9.35	9.46	8.70	9.90
Soviet Zone . . . . .	0.50	0.24	0.26	..	..	..	..	..	1.03	..	..	..
Netherlands . . . . .	1.12	0.92	0.97	0.93	0.95	0.94	0.99	1.01	1.03	1.05	0.95	1.10
Poland . . . . .	5.88 <sup>b</sup>	5.86	6.17	6.26	6.03	5.95	6.23	6.49	6.56	6.50	6.15	7.04
United Kingdom . . . . .	19.32	17.73	18.23	18.51	18.47	18.07	17.25	19.12	19.00	18.86	17.61	20.53
Other European countries . . . . .	1.08	1.62	1.70	1.61	1.68	1.72	1.68	1.74	1.76	1.75	1.65	1.88
Total Europe (excluding U.S.S.R.).	48.31	42.11	45.27	43.05	45.43	44.30	43.95	47.40	47.67	47.86	44.38	50.75
Index numbers : 1938 = 100 . . . . .	100	87	94	89	94	92	91	98	99	99	92	105
1948 = 100 . . . . .	115	100	108	102	108	105	104	113	113	114	105	121
United States <sup>c</sup> . . . . .	29.84	49.64	36.11	51.02	41.70	43.01	28.49	31.25	32.03	31.02	13.05	52.01

<sup>a</sup> Excluding lignite.

<sup>b</sup> Post-war boundaries.

<sup>c</sup> Including a small amount of lignite.

**Table VIII**  
**PRODUCTION OF ELECTRIC POWER**

Monthly averages or calendar months

Millions of kilowatt-hours

Country	Average			1948 Fourth quarter	1949				1950			
	1938	1948	1949		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	January	February	March
Austria . . . . .	250	400	394	364	317	425	445	390	387*	398*	359*	403*
Belgium . . . . .	439	659	680	719	710	657	626	728	719	756	674	727
Czechoslovakia . . . . .	338	626	689	714	703	645	..	..	..	..	..	..
Denmark . . . . .	95	148	154	172	156	133	144	182	170	185	164	161
Finland . . . . .	259	232	290	253	284	286	271	320	343	352	323	353
France <sup>a</sup> . . . . .	1,564	2,297	2,367	2,270	2,304	2,341	2,239	2,568	2,557	2,770	2,430	2,470
Germany : western zones	2,790	2,804	3,317	3,116	3,236	3,084	3,284	3,663	3,470*	3,696	3,265	3,450*
Italy <sup>b</sup> . . . . .	1,095	1,641	1,467	1,657	1,355	1,513	1,534	1,465	1,557	1,626	1,452	1,593
Netherlands . . . . .	295	422	499	484	501	449	450	597	600*	628	549	624*
Norway . . . . .	827	1,037	1,265	1,216	1,323	1,199	1,115	1,424	1,515	1,565	1,426	1,555
Poland . . . . .	643 <sup>c</sup>	626	670	708	681	610	649	741	783	..	..	..
Spain <sup>d</sup> . . . . .	229	509	420	484	411	407	389	475	548	572	516	557
Sweden . . . . .	680	1,189	1,342	1,344	1,364	1,280	1,249	1,475	1,553	1,600	1,465	1,594
Switzerland <sup>d</sup> . . . . .	446	720	647	662	531	729	708	621	597	616	546	629
United Kingdom <sup>e</sup> . . . . .	2,031	3,877	4,093	4,364	4,553	3,673	3,461	4,685	4,956	5,275	4,724	4,870
Other European countries . . . . .	1,974	2,023	2,144	2,304	2,134	1,978	2,064	2,401	2,423	2,506	2,250	2,512
Total Europe (excluding U.S.S.R.).	13,955	19,210	20,438	20,831	20,563	19,409	19,278	22,499	22,956*	24,193*	21,617*	23,059*
Index numbers : 1938 = 100 . . . . .	100	138	146	149	147	139	138	161	164	173	155	165
1948 = 100 . . . . .	73	100	106	108	107	101	100	117	120	126	113	120
United States . . . . .	11,950	28,067	28,771	29,435	29,117	27,882	28,599	29,248	30,777	31,677	28,789	31,864

<sup>a</sup> Production of hydro-electric plants with a generating capacity of over 1,000 kilowatts and of thermo-electric plants with a capacity of over 5,000 kilowatts.

<sup>b</sup> About 90 per cent of total production.

<sup>c</sup> Post-war boundaries.

<sup>d</sup> Public utility production only.

<sup>e</sup> Authorized undertakings only. Excluding Northern Ireland.

Table IX

PRODUCTION OF CRUDE STEEL

Monthly averages or calendar months

Thousands of tons

Country	Average			1948	1949				1950			
	1938	1948	1949	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	January	February	March
Belgium . . . . .	190	326	321	363	382	339	275	286	295	315	273	298
Luxembourg . . . . .	120	204	189	230	236	204	169	149	179	170	169	197
France . . . . .	518	604	760	616	759	776	731	775	666	772	722	505
Saar . . . . .	213	102	147	124	144	147	147	148	147	153	138	151
Germany . . . . .	1,633 <sup>a</sup>	491	821	..	..	..	..	..	..	..	..	..
of which western zones . . . . .	1,492	463	763	632	716	768	807	760	940	907	899	1,015
Soviet Zone . . . . .	141	28	58	..	..	..	..	..	..	..	..	..
Italy . . . . .	194	177	171	176	150	184	173	179	185	183	173	200
Poland . . . . .	158 <sup>a</sup>	163	192*	181	190	186	191	200*	207	..	..	..
Sweden . . . . .	81	105	113	117	115	110	104	124	131	123	123	148
United Kingdom . . . . .	880	1,260	1,318	1,290	1,343	1,351	1,233	1,344	1,412	1,347	1,434	1,456
Other European countries . . . . .	373	518	573	533	545	567	581	597	598	589	587	619
Total Europe (excluding U.S.S.R.).	4,360	3,950	4,605*	4,300	4,624	4,687	4,475	4,631*	4,840	4,840	4,802	4,885
Index numbers :												
1938 = 100 . . . . .	100	91	106	99	106	108	103	106	111	111	110	112
1948 = 100 . . . . .	110	100	117	109	117	119	113	117	123	123	122	124
United States . . . . .	2,400	6,701	5,887	7,129	7,273	6,614	5,771	3,889	6,704	7,194	6,163	6,755

<sup>a</sup> Post-war boundaries.

Table X

PRODUCTION OF CEMENT

Monthly averages

Thousands of tons

Country	1938	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
Belgium . . . . .	243	278	244	261	192	251	263	269	222
Czechoslovakia . . . . .	106 <sup>a</sup>	138	145	118	106	168	159	146	..
France <sup>b</sup> . . . . .	296	448	537	453	467	569	540	573	508
Germany . . . . .	1,162 <sup>c</sup>	..	..	..	..	..	..	..	..
of which western zones . . . . .	955	464	705	600	513	720	835	753	583
Soviet Zone . . . . .	207	..	..	..	..	..	..	..	..
Italy . . . . .	384	262	336	289	232	371	379	363	329
Poland <sup>d</sup> . . . . .	254 <sup>c</sup>	152	185	124	154	210	223	154*	156
Sweden . . . . .	83	124	141	129	93	150	174	148	118
United Kingdom <sup>d</sup> . . . . .	653	722	780	722	737	805	804	776	787
Other European countries . . . . .	540	785	902	806	728	958	966	961	837
Total Europe (excluding U.S.S.R.)	3,721	3,446	4,103	3,548	3,317	4,333	4,482	4,289*	3,766*
Index numbers :									
1938 = 100 . . . . .	100	93	110	95	89	116	120	115	101
1948 = 100 . . . . .	108	100	119	103	96	126	130	124	109
United States <sup>d</sup> . . . . .	1,497	2,885	2,951	3,103	2,491	3,069	3,208	3,038	2,376

<sup>a</sup> 1937.

<sup>b</sup> Artificial cements only.

<sup>c</sup> Post-war boundaries.

<sup>d</sup> Portland cement only.

**Table XI**  
**PRODUCTION OF MOTOR VEHICLES**

Monthly averages

Thousands

Country	1938	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
PASSENGER CARS									
Czechoslovakia . . . . .	1.05 <i>a</i>	1.49	..	1.60	..	..	..	..	..
France . . . . .	15.20 <i>b</i>	8.34	15.64	10.22	12.76	16.08	14.06	19.66	17.52
Germany : U.K./U.S. Zone	14.51 <i>c</i>	2.49	8.69	4.02	5.45	7.29	9.78	12.23	14.23
Italy . . . . .	4.92	4.39	6.46	5.63	5.38	4.99	6.71	8.77	8.54
United Kingdom . . . . .	28.42	27.90	34.36	26.77	32.06	33.51	33.15	38.71	43.79
Total of countries listed . .									
<i>Index numbers :</i>									
<i>1938 = 100 . . . . .</i>									
<i>1948 = 100 . . . . .</i>									
United States <i>d</i> . . . . .									
COMMERCIAL VEHICLES									
Austria . . . . .	0.10 <i>a</i>	0.08	0.18	0.12	0.13	0.15	0.19	0.25	0.25
Czechoslovakia . . . . .	0.33 <i>a</i>	0.62	..	0.75	..	..	..	..	..
France . . . . .	3.28 <i>b</i>	7.80	7.87	8.75	8.71	9.03	6.81	6.94	6.36
Germany : western zones .	3.56 <i>c</i>	2.47	4.72	3.91	4.35	4.45	4.87	5.20	4.65
Italy . . . . .	0.85	0.56	0.73	0.47	0.57	0.66	0.75	0.94	1.05
United Kingdom . . . . .	8.67	14.44	18.03	16.12	17.24	17.44	16.99	20.45	22.11
Total of countries listed . .									
<i>Index numbers :</i>									
<i>1938 = 100 . . . . .</i>									
<i>1948 = 100 . . . . .</i>									
United States <i>d</i> . . . . .									

<sup>a</sup> 1937.

<sup>b</sup> October 1937-September 1938.

<sup>c</sup> 1936.

<sup>d</sup> Factory sales.

**Table XII**  
**PRODUCTION OF LIVESTOCK PRODUCTS**

Commodity and producer country	Monthly average	Index numbers — 1947 = 100							
	1947	1948	1949	1948	1949				1950
				Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
<i>Meat <sup>a</sup></i>	(thousands of tons)								
Austria . . . . .	6.2	102	..	131	90	92	69	..	..
Belgium <sup>b</sup> . . . . .	13.5	136	178	149	159	173	177	203	164
Czechoslovakia . . . . .	36.0	61	66	81	80	46	48	89	..
Denmark <sup>b</sup> . . . . .	33.6	71	98	76	88	83	97	125	124
Germany : western zones . . . . .	35.4	75	147	96	104	90	160	233	232
Ireland . . . . .	11.4	88	91	118	79	77	91	118	..
Italy <sup>c</sup> . . . . .	8.4	139	157	182	161	130	129	212	177
Portugal <sup>d</sup> . . . . .	4.1	144	161	163	166	170	156	154	156
Sweden <sup>e</sup> . . . . .	18.5	93	112	100	100	111	107	132	116
Switzerland <sup>f</sup> . . . . .	4.3	95	121	100	109	121	114	140	135
United Kingdom . . . . .	66.4	101	120	164	81	96	140	164	104
<i>Milk <sup>g</sup></i>	(thousands of hectolitres)								
Austria <sup>h</sup> . . . . .	401	114	155	124	132	156	166	164	167
Czechoslovakia . . . . .	1,954	93	108	98	96	109	119	109	..
Denmark . . . . .	3,319	99	119	92	93	137	135	112	110
Germany : western zones . . . . .	7,045	100	130	103	94	145	154	126	129
Netherlands <sup>i</sup> . . . . .	2,334	127	153	114	104	202	186	121	125
Norway <sup>j</sup> . . . . .	523	113	135	96	113	168	142	117	139
Sweden <sup>j</sup> . . . . .	2,767	98	107	85	92	120	120	98	104
Switzerland <sup>j</sup> . . . . .	1,061	116	120	106	103	131	143	101	102
United Kingdom <sup>j</sup> . . . . .	5,496	111	120	107	112	144	110	113	127
<i>Butter <sup>k</sup></i>	(thousands of tons)								
Austria <sup>h</sup> . . . . .	1.0	118	158	136	136	160	171	166	154
Czechoslovakia . . . . .	1.6	119	156	156	150	150	163	156	..
Denmark . . . . .	10.4	97	125	92	94	145	141	120	115
Germany : western zones . . . . .	14.6	95	135	114	93	160	166	121	113
Ireland <sup>j</sup> . . . . .	2.2	109	132	100	24	168	227	109	32
Netherlands <sup>m</sup> . . . . .	4.4	135	160	121	89	211	204	135	121
Norway . . . . .	0.7	112	135	88	105	225	140	72	109
Portugal . . . . .	0.1	113	125	75	88	150	125	138	170
Sweden . . . . .	7.9	95	104	84	85	118	118	94	96
Switzerland . . . . .	1.3	90	97	70	68	122	124	74	78
United Kingdom . . . . .	0.6	122	153	98	115	324	98	69	202
<i>Cheese <sup>k</sup></i>	(thousands of tons)								
Austria <sup>h</sup> . . . . .	0.3	116	216	97	171	246	249	197	300
Czechoslovakia . . . . .	1.0	110	118	121	109	113	158	94	..
Denmark . . . . .	3.8	124	134	105	100	182	153	103	108
Germany : western zones . . . . .	6.6	117	189	121	103	217	241	192	138
Ireland . . . . .	0.3	67	100	67	—	133	133	100	..
Netherlands <sup>m</sup> . . . . .	5.4	151	197	150	110	264	272	141	103
Norway . . . . .	1.0	118	179	73	128	269	197	125	200
Portugal . . . . .	0.1	100	144	78	133	156	133	167	100
Sweden . . . . .	4.0	109	138	76	104	169	165	112	108
Switzerland . . . . .	3.0	127	136	104	82	182	191	89	79 <sup>n</sup>
United Kingdom <sup>m</sup> . . . . .	1.4	154	196	113	181	325	179	99	301

<sup>a</sup> Comprising production of beef, veal, mutton, lamb, pork and goat meat, unless otherwise stated.

<sup>b</sup> Beef and pork.

<sup>c</sup> Data for communes of more than 50,000 inhabitants.

<sup>d</sup> Inspected slaughter.

<sup>e</sup> Excluding home slaughter.

<sup>f</sup> Data for forty-seven towns.

<sup>g</sup> Total production of fluid milk.

<sup>h</sup> Market deliveries.

<sup>i</sup> Milk delivered by farmers.

<sup>j</sup> Milk sold through milk marketing schemes.

<sup>k</sup> Creamery and factory production.

<sup>l</sup> Production of co-operative creameries only.

<sup>m</sup> Including farm production.

<sup>n</sup> Based on data for two months.



Table XIII  
INDEX NUMBERS OF PRICES

Country	1938=100		1948=100 <sup>a</sup>									
	1947	1948	1949							1950		
			Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
WHOLESALE PRICES												
Austria . . . . .	296 <sup>b,c</sup>	313 <sup>b</sup>	116	135	138	138	138	141	157	159	162	166
Belgium . . . . .	357	391	100	94	93	93	93	93	94	94	94	93
Czechoslovakia . . . . .	315	331	103	106	104	105	..	..	..	..	..	..
Denmark . . . . .	207	227	103	101	100	101	102	104	106	109	110	111
Finland . . . . .	724	956	100	101	102	103	104	104	104	105	105	107
France . . . . .	989	1,712	114	108	112	114	117	117	117	121	120	123
Germany : U.K./U.S. Zone . . . . .	..	158	121	118	118	122	126	125	123	124	125	124
Greece . . . . .	18,320	25,620	114	118	119	118	118	119	120	121	124	120
Ireland . . . . .	219 <sup>d</sup>	232 <sup>d</sup>	100	98	99	98	98	101	102	102	103	103
Italy . . . . .	5,159	5,443	105	92	90	90	89	89	87	87	87	87
Netherlands . . . . .	265	275	105	104	104	105	105	109	109	110	111	112
Norway . . . . .	175	181	101	103	103	102	102	102	103	103	104	104
Portugal <sup>e</sup> . . . . .	241	240	105	102	100	103	102	103	103	103	103	102
Spain . . . . .	421 <sup>f</sup>	451 <sup>f</sup>	104	106	108	108	110	112	113	112	114	114
Sweden . . . . .	179	193	101	101	100	101	102	102	102	102	103	103
Switzerland . . . . .	209	217	99	95	95	94	92	92	92	91	90	90
Turkey . . . . .	433	466	109	108	106	106	105	105	103	103	103	101
United Kingdom . . . . .	189	216	101	104	105	105	108	110	110	111	112	112
United States. . . . .	193	210	97	93	93	93	92	92	92	92	93	93
COST OF LIVING												
Austria . . . . .	328	359	103	121	119	116	118	123	127	126	123	123
Belgium . . . . .	293	352	100	97	97	97	96	97	97	96	96	95
Denmark . . . . .	163	166	102	101	..	..	101	..	..	103	..	..
Finland . . . . .	590	794	101	104	103	103	105	105	105	106	107	108
France . . . . .	..	1,250 <sup>g</sup>	115	113	114	115	116	118	119	121	124	123
Germany : U.K./U.S. Zone <sup>h</sup> . . . . .	..	161	104	99	97	97	97	97	97	96	96	95
Greece . . . . .	17,500	24,700	113	112	113	115	112	114	115	120	123	122
Hungary . . . . .	462 <sup>i</sup>	483 <sup>i</sup>	93	..	..	..	84	..	83	..	..	83
Iceland . . . . .	315 <sup>j</sup>	322 <sup>j</sup>	101	101	102	102	105	105	106	106	108	110
Ireland . . . . .	177	183	..	101	..	..	..	101	..	..	101	..
Italy . . . . .	4,575	4,844	103	100	101	101	99	99	98	98	98	97
Luxembourg . . . . .	276	293	102	110	111	111	109	109	109	109	108	108
Netherlands . . . . .	199 <sup>k</sup>	205 <sup>k</sup>	105	107	105	105	106	108	110	112	114	116
Norway . . . . .	160	159	99	100	103	101	100	100	100	100	100	101
Poland. . . . .	12,500	13,200	104	104	102	102	103	104	107	112	113	..
Portugal . . . . .	211 <sup>l</sup>	205 <sup>l</sup>	104	102	103	106	107	106	105	108	106	105
Spain . . . . .	424 <sup>m</sup>	453 <sup>m</sup>	103	104	105	106	108	109	110	112	114	115
Sweden . . . . .	147	154	102	102	..	102	..	..	102	..	..	102
Switzerland . . . . .	115	119	100	99	99	99	99	99	99	98	97	97
United Kingdom . . . . .	170	181	101	103	103	104	104	104	105	105	105	106
United States . . . . .	158	170	100	98	99	99	98	98	99	97	97	98

<sup>a</sup> For wholesale prices, mid-month figures.

<sup>b</sup> March 1938 = 100.

<sup>c</sup> Fourth quarter 1947.

<sup>d</sup> October 1938 = 100.

<sup>e</sup> Wholesale prices in Lisbon.

<sup>f</sup> 1936 = 100.

<sup>g</sup> September 1948.

<sup>h</sup> The annual index for 1948 refers to June-December, and the monthly indices are based on that period.

<sup>i</sup> August 1939 = 100.

<sup>j</sup> First quarter 1939 = 100.

<sup>k</sup> July 1938/June 1939 = 100.

<sup>l</sup> June 1938/June 1939 = 100.

<sup>m</sup> July 1936 = 100.

Table XIV

INDEX NUMBERS OF PRICES OR AVERAGE UNIT VALUES OF IMPORTS AND EXPORTS

Country	Change in foreign exchange rates in 1949 (per cent)		Index numbers — third quarter 1949 = 100									
	Increase in rate for U.S. dollar	Average change in rate for all currencies <sup>a</sup>	In national currencies									In U.S. dollars
			1949				1950					1950
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	First qtr.	First qtr.
<i>Prices :</i>												
United Kingdom . . .	43.9	15										
Imports . . . . .			99	106	108	110	112	113	115	118	113	79
Exports . . . . .			100	100	101	102	103	103	104	104	103	72
Switzerland . . . . .	—	—13										
Imports . . . . .			98	93	92	91	90	91	90	90	90	90
Exports . . . . .			99	95	95	94	93	92	94	91	93	93
Denmark . . . . .	43.9	17										
Imports . . . . .			101	101	102	103	110	111	112	113	111	77
Exports . . . . .			100	96	96	96	94	94	93	93	94	65
Sweden . . . . .	43.9	21										
Imports . . . . .			103	117	118	119	120	120	119	119	120	83
Exports . . . . .			100	106	108	110	114	115	116	117	115	80
Finland <sup>b</sup> . . . . .	69.8	39										
Imports . . . . .			113	115	119	120	122	123	131	135	125	74
Exports . . . . .			103	100	101	101	109	110	110	..	110	65
<i>Average unit values :</i>												
France . . . . .	27.9	6										
Imports . . . . .			101	101	107	109	108	119	119	117	115	90
Exports . . . . .			101	98	102	104	105	110	106	106	107	83
Belgium . . . . .	14.0	—5										
Imports . . . . .			101	98	96	99	99	100	101	102	100	88
Exports . . . . .			97	96	94	93	89	89	85	86	87	77
Netherlands . . . . .	43.3	19										
Imports . . . . .			99	103	108	111	108	115	114	114	112	78
Exports . . . . .			97	104	103	109	114	114	112	114	113	79
Italy . . . . .	8.7	—5										
Imports . . . . .			99	96	96	95	95	94	92	91	94	86
Exports . . . . .			98	97	98	99	100	106	98	101	101	93
Norway . . . . .	43.9	17										
Imports . . . . .			100	103	108	115	117	113	114	121	115	80
Exports . . . . .			99	102	105	98	98	102	105	101	102	71
Germany : western zones <sup>c</sup> . . . . .	25.9	12										
Imports . . . . .			100	114	103	106	109	107	106	108	107	85
Exports . . . . .			95	98	95	91	93	91	88	87	91	72
Austria <sup>d</sup> . . . . .	112.3	..										
Imports . . . . .			102	107	92	134	155	152	142	..	150	70
Exports . . . . .			100	102	100	116	118	120	118	..	119	56

<sup>a</sup> Weighted by country distribution of imports in first half of 1949.

<sup>b</sup> For index numbers : second quarter 1949 = 100.

<sup>c</sup> The index for the third quarter 1949 has been estimated for the three western zones on the basis of the index for the U.K./U.S. Zone.

<sup>d</sup> For index numbers : August-September 1949 = 100.



**Table XVI. IMPORTS AND EXPORTS OF TEN EUROPEAN COUNTRIES ACCORDING TO AREAS OF ORIGIN AND DESTINATION**  
*Millions of dollars in current prices; imports c.i.f.; exports f.o.b.*

Area of origin for imports and area of destination for exports ↓	Year and quarter	United Kingdom		France		Netherlands		Belgium-Luxembourg		Switzerland		Italy		Denmark		Sweden		Norway		Germany : western zones <sup>a</sup>		Total of ten countries	
		Imports	Exports	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imports	Exports
I. United Kingdom, Ireland and Iceland	1948 IV	60.1	80.7	21.1	45.6	59.4	46.8	44.5	44.7	17.4	9.9	19.2	36.4	63.2	40.9	65.1	66.1	48.4	20.7	17.3	22.4	415.7	414.2
	1949 I	55.2	80.4	30.4	58.8	67.4	49.2	43.9	44.0	15.7	7.5	17.7	26.0	65.8	54.9	47.9	35.8	38.5	22.9	16.4	26.7	398.9	406.2
	1949 II	63.0	83.6	28.4	70.0	53.0	60.7	39.9	61.2	16.6	9.7	15.9	23.5	68.0	86.6	48.7	37.6	43.4	20.8	11.2	21.3	388.1	495.0
	1949 III	62.3	71.8	25.4	62.4	54.7	69.5	39.2	42.2	14.9	10.5	10.9	38.9	59.3	95.5	49.1	62.9	46.0	18.1	18.9	28.9	380.7	500.7
	1950 I	49.9	60.0	30.9	57.2	37.7	45.1	41.4	28.0	17.6	10.8	15.2	27.9	59.4	62.3	43.9	40.1	37.2	12.4	18.0	24.0	351.2	367.8
II. Western European industrial countries (France, Netherlands, Belgium - Luxembourg, Switzerland)	1948 IV	163.4	134.9	71.4	91.9	111.0	90.1	120.4	129.1	53.0	58.2	26.0	37.5	35.8	27.4	63.0	56.5	31.6	18.8	42.0	91.4	717.6	735.8
	1949 I	173.8	150.1	45.6	97.0	118.5	65.0	98.9	112.7	47.8	40.1	37.8	42.7	39.0	35.5	54.3	37.9	33.1	18.6	52.9	109.1	701.7	708.7
	1949 II	210.3	133.5	52.0	104.1	110.4	63.0	104.4	115.1	41.5	40.7	40.2	40.2	31.1	17.3	53.6	46.7	38.4	13.2	68.0	120.4	749.9	694.2
	1949 III	200.7	127.4	71.3	89.0	99.3	82.7	105.3	108.7	38.1	43.7	43.4	42.2	23.8	18.7	56.8	49.5	29.7	13.9	96.4	109.8	764.8	685.6
	1950 I	139.7	111.0	74.2	87.1	99.8	85.5	115.4	114.2	46.8	42.9	37.7	54.9	19.2	23.8	39.0	40.2	25.5	9.8	113.4	99.6	710.7	669.0
III. Mediterranean and Iberian countries (Italy, Greece, Spain, Portugal, Turkey and miscellaneous continental and non-continental European countries and territories)	1948 IV	94.7	96.1	27.0	20.0	10.7	17.1	14.9	25.4	25.5	25.9	8.3	13.2	6.0	9.6	23.1	23.6	14.3	7.1	23.5	10.0	248.0	248.0
	1949 I	83.9	96.1	35.7	30.0	15.2	22.0	15.2	33.0	21.5	21.8	9.3	10.3	8.9	8.9	24.3	19.8	8.9	6.8	19.6	13.6	242.5	256.2
	1949 II	65.5	78.0	40.6	44.8	13.2	12.8	15.3	33.0	20.2	22.7	7.5	10.4	9.1	5.0	14.6	16.1	8.7	4.6	52.8	25.6	247.5	253.0
	1949 III	80.1	71.2	24.6	33.2	11.4	17.6	14.7	27.3	18.6	21.6	4.6	11.0	8.9	3.9	11.0	19.2	5.2	4.9	26.9	26.7	206.0	236.6
	1950 I	72.6	55.6	41.4	28.2	8.7	12.9	13.0	21.9	21.2	25.4	3.1	8.3	9.5	4.6	13.0	14.2	6.5	5.0	44.3	27.1	233.3	203.2
IV. Scandinavian countries (Denmark, Sweden, Norway, Finland)	1948 IV	173.7	165.7	32.0	34.7	44.9	40.5	46.0	45.4	15.4	16.7	17.6	26.7	29.4	42.9	34.9	65.3	57.7	18.8	27.5	20.7	479.1	477.4
	1949 I	146.4	152.9	30.5	37.8	31.3	34.9	40.0	51.5	11.0	13.8	24.8	21.7	26.0	22.2	24.3	45.9	41.4	14.9	34.4	23.4	410.1	419.0
	1949 II	197.0	153.0	29.5	40.1	22.3	31.4	37.7	53.0	6.8	10.6	14.4	16.9	30.4	21.2	26.4	51.8	38.6	24.3	42.0	27.4	445.1	429.8
	1949 III	235.4	144.3	26.6	43.1	38.5	28.7	30.0	47.4	7.0	8.9	15.2	14.5	33.1	20.2	21.4	45.8	33.5	17.1	45.2	30.6	485.9	400.6
	1950 I	148.0	132.8	35.5	33.6	32.1	31.5	23.4	30.8	11.3	7.0	10.2	13.7	23.1	25.8	22.9	40.3	33.3	13.6	45.8	25.0	385.6	354.1
V. Germany and Austria	1948 IV	135.4	151.4	32.9	43.6	26.2	26.0	17.0	25.1	7.8	8.2	16.5	19.5	21.8	18.3	15.1	42.7	31.4	14.9	75.9	39.4	380.0	389.1
	1949 I	33.8	30.7	52.9	30.9	30.7	22.7	37.6	31.2	28.8	10.8	17.6	14.8	15.0	13.8	11.0	18.0	5.1	5.5	3.8	14.7	236.3	193.1
	1949 II	38.1	35.5	59.1	36.4	34.3	24.7	36.8	51.9	22.1	12.2	18.6	22.1	11.4	16.1	16.2	16.7	9.3	13.8	3.2	14.9	249.1	244.3
	1949 III	41.4	27.9	64.9	41.8	39.4	29.2	35.5	63.0	22.4	19.3	25.4	36.7	10.9	16.0	22.0	19.9	7.9	10.2	4.0	16.0	273.8	280.0
	1950 I	26.1	27.6	54.0	35.5	26.0	59.9	28.6	33.7	23.7	34.9	24.5	36.6	10.5	24.7	18.6	26.9	6.6	5.6	3.0	17.2	221.6	302.6
VI. Eastern European countries (Czechoslovakia, Poland, Rumania, Hungary, Yugoslavia, Bulgaria)	1948 IV	34.6	19.4	15.8	11.1	24.9	16.4	12.3	14.9	16.0	14.6	17.8	21.7	10.9	7.4	33.7	25.2	11.0	6.4	12.4	4.2	189.4	141.3
	1949 I	41.0	19.8	18.0	15.7	28.4	15.7	9.9	15.9	12.1	12.6	22.5	13.2	18.2	6.6	37.2	18.2	12.5	8.9	19.2	9.4	219.0	136.0
	1949 II	35.8	26.5	18.1	20.7	29.3	22.8	7.1	22.3	13.4	13.6	20.9	18.6	16.6	10.7	23.3	23.1	7.1	8.8	24.8	7.9	196.4	175.0
	1949 III	38.2	24.9	12.8	20.6	19.5	18.6	10.1	19.4	11.1	15.4	20.0	15.8	13.5	6.5	13.7	17.0	7.3	7.1	16.5	12.4	162.7	157.7
	1950 I	27.3	18.1	18.7	13.8	16.0	8.6	8.0	10.7	12.0	18.3	11.1	16.1	5.9	2.6	18.5	12.2	7.6	3.7	34.0	24.4	159.1	128.5
VII. Union of Soviet Socialist Republics	1948 IV	32.6	14.4	13.0	12.8	12.8	7.0	6.9	11.2	11.3	11.6	15.0	15.9	12.6	5.4	16.8	13.0	7.3	4.6	19.3	25.6	147.6	121.5
	1949 I	21.5	6.2	2.3	0.2	2.5	1.8	6.6	6.3	1.2	4.6	0.8	1.1	2.4	3.5	2.2	7.3	0.5	5.1	0.3	—	40.3	36.1
	1949 II	9.1	9.4	1.7	—	0.9	3.6	1.1	9.0	0.6	2.4	0.3	3.7	1.1	1.3	0.4	3.8	0.8	2.7	—	—	16.0	35.9
	1949 III	4.4	10.5	1.8	—	10.1	1.9	1.8	8.2	0.6	1.0	0.3	2.0	0.4	4.0	0.3	6.0	8.0	6.2	—	—	28.3	39.8
	1950 I	9.2	8.4	1.0	0.2	8.6	1.3	1.5	6.5	0.8	0.8	7.9	3.7	1.6	2.0	1.1	5.7	7.9	5.5	—	—	39.7	34.1
1948 IV	1948 IV	581.8	533.7	222.5	234.4	284.1	235.4	282.3	297.0	137.3	140.7	107.3	151.4	162.7	145.5	233.0	262.0	168.6	82.4	126.8	163.4	2,356.4	2,245.9
	1949 I	581.8	533.7	222.5	234.4	284.1	235.4	282.3	297.0	137.3	140.7	107.3	151.4	162.7	145.5	233.0	262.0	168.6	82.4	126.8	163.4	2,356.4	2,245.9
	1949 II	581.8	533.7	222.5	234.4	284.1	235.4	282.3	297.0	137.3	140.7	107.3	151.4	162.7	145.5	233.0	262.0	168.6	82.4	126.8	163.4	2,356.4	2,245.9
	1949 III	581.8	533.7	222.5	234.4	284.1	235.4	282.3	297.0	137.3	140.7	107.3	151.4	162.7	145.5	233.0	262.0	168.6	82.4	126.8	163.4	2,356.4	2,245.9
	1950 I	581.8	533.7	222.5	234.4	284.1	235.4	282.3	297.0	137.3	140.7	107.3	151.4	162.7	145.5	233.0	262.0	168.6	82.4	126.8	163.4	2,356.4	2,245.9





Table XVII

Thousands of tons

NOTE. — Data cover imports from all sources and exports to all destinations, both European and non-European, by the countries listed in footnote (b) below. Except as there indicated, trade of eastern European countries is not included because of the lack of data on a sufficiently regular and detailed basis. Figures for 1938 are shown both for Europe as a whole (including the U.S.S.R. and the Baltic States) and, to provide comparability, for the countries covered by the post-war figures.

Commodity group <sup>a</sup>	NINETEEN EUROPEAN COUNTRIES <sup>b</sup>									
	1938		1948			1949			1950	
	Quarterly average	Quarterly average	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
<b>Bread grain</b>										
European imports . . . . .	3,381	3,337	4,255	5,063	5,070	4,079	3,453	4,718	4,170	3,834
of which		1,413	1,207	1,378	1,412	1,354	1,274	1,636	1,408	1,293
United Kingdom . . . . .		349	716	670	1,583	838	446	941	941	607
Germany <sup>b</sup> . . . . .		85	675	870	395	494	596	815	385	299
Italy . . . . .		311	263	197	284	191	142	196	327	116
Belgium-Luxembourg . . . . .		273	53	56	66	210	418	117	49	442
European exports . . . . .	1,125									
<b>Coarse grain</b>										
European imports . . . . .	3,060	3,054	2,103	1,928	1,590	2,012	2,576	1,933	1,647	2,242
of which		1,038	442	739	656	678	581	269	146	321
United Kingdom . . . . .		640	208	211	264	232	504	538	484	681
Germany <sup>b</sup> . . . . .		284	245	46	95	227	255	163	196	271
Belgium-Luxembourg . . . . .		199	61	218	198	115	366	295	114	197
France <sup>b</sup> . . . . .		127	148	145	46	71	109	47	29	65
European exports . . . . .	582									
<b>Sugar, raw</b>										
European imports . . . . .	1,166	1,155	637	1,423	1,330	1,219	770	1,145	1,259	1,116
of which		761	334	810	652	564	448	776	737	644
United Kingdom . . . . .		4	65	167	132	116	22	30	104	116
Germany <sup>b</sup> . . . . .		50	23	76	105	28	45	58	121	22
Netherlands . . . . .		80	7	15	86	37	58	55	40	117
France <sup>b</sup> . . . . .		332	310	420	243	482	317	323	266	471
European exports . . . . .	363									
of which United Kingdom . . . . .		115	168	244	136	118	147	135	140	215
<b>Meat</b>										
European imports . . . . .	530	530	382	322	394	315	275	350	424	417
of which United Kingdom . . . . .		421	326	250	294	221	206	283	335	326
European exports . . . . .	201	138	60	37	46	60	60	66	82	130
of which Denmark . . . . .		62	31	11	15	15	24	29	35	68
Ireland . . . . .		49	23	13	21	32	26	22	28	38
<b>Butter</b>										
European imports . . . . .	144	144	90	97	78	74	107	110	93	85
of which United Kingdom . . . . .		119	84	81	54	55	91	97	76	56
European exports . . . . .	88	71	24	34	38	40	32	54	64	49
of which Denmark . . . . .		39	21	28	29	27	24	40	41	33
Netherlands . . . . .		13	2	4	7	11	6	12	22	13
<b>Cheese</b>										
European imports . . . . .	58	58	58	45	46	53	69	88	92	45

**Eggs**

European imports of which United Kingdom	102	102	66	60	54	54	69	61	59	69	90
European exports of which	84	60	23	27	20	41	39	45	32	37	47
Denmark		24	12	10	10	2	9	25	17	19	29
Ireland		5	6	5	5	5	6	12	3	6	6
Netherlands		22						4	6	11	17
<b>Fish</b>											
European imports of which	249	218	312	241	193	260	303	210	194	244	221
Germany <sup>b</sup>		57	95	78	67	64	113	69	53	54	59
United Kingdom		47	28	17	19	34	76	67	48	54	49
Italy		25	14	16	14	31	21	13	15	18	24
France <sup>b</sup>		19									25
European exports	240	234	305	263	181	250	341	248	148	263	256
of which		65	160	129	41	57	171	110	30	57	110
Norway		24	35	51	45	49	39	36	42	47	33
Iceland		14	24	28	26	24	33	13	24	37	33
Denmark		36	31	9	19	53	39	14	18	53	32
Netherlands											
<b>Oil seeds</b>											
European imports	1,814	1,790	508	676	603	727	941	961	781	821	765
of which		414	257	256	273	239	290	316	360	334	275
United Kingdom		338	51	157	121	165	224	227	123	183	234
Germany <sup>b</sup>		462	11	10	6	10	140	139	105	89	86
France <sup>b</sup>		183	50	42	71	47	97	105	71	53	71
Netherlands		70	40	27	28	35	45	38	28	77	86
Belgium-Luxembourg											46
European exports	64	17	15	10	22	51	24	22	17	16	24
of which		2	3	6	20	41	11	17	15	10	11*
Turkey											
<b>Animal and vegetable fats and oils</b>											
European imports	427	413	320	390	332	305	365	464	383	479	500
of which		102	163	218	151	113	149	197	167	188	125
United Kingdom		100	16	36	32	34	40	99	44	72	133
Germany <sup>b</sup>		24	13	10	5	15	18	25	18	48	53
Italy		22	24	29	31	40	45	29	22	29	47
France <sup>b</sup>		20	35	27	31	26	20	24	24	43	28
Belgium-Luxembourg											
European exports	249	237	66	105	87	120	93	117	93	136	122
of which		27	20	40	22	31	30	47	28	47	24
Norway		74	9	9	15	17	14	19	24	24	37
Netherlands		12	3	2	3	9	10	16	11	14	18
Belgium-Luxembourg											
<b>Coffee</b>											
European imports	188	185	85	105	113	119	105	107	112	125	114
of which		47	11	18	20	22	14	22	24	27	33
Belgium-Luxembourg		13	9	23	10	26	21	19	26	24	17
Italy		9	16	9	10	12	13	8	11	15	12
United Kingdom		4		10	15	11	13	7	9	14	7
<b>Tea</b>											
European imports	66	62	56	37	44	73	65	40	50	86	55
of which		52	49	31	41	64	56	35	44	77	48
United Kingdom											
<b>Tobacco</b>											
European imports	92	88	52	42	84	74	66	59	85	108	62
of which		34	19	9	48	38	20	10	38	55	23
United Kingdom		23	1	1	2	14	5	13	9	14	8
Germany <sup>b</sup>		6	3	2	3	2	9	5	12	5	2
France <sup>b</sup>		7	6	2	3	5	6	7	5	10	6
Netherlands											
European exports	47	29	19	20	11	38	42	34	12	36	45
of which		10	6	9	3	27	25	17	3	18	25*
Turkey		11	7	5	1	3	9	9	1	7	8
Greece											

a For the composition of the commodity groups and information on conversion factors employed, see *Economic Survey of Europe in 1949*, Appendix B, page 260.  
b The countries whose trade is included throughout the table are: United Kingdom, Iceland, Ireland, France, the Netherlands, Belgium-Luxembourg, Switzerland, Italy, Greece, Spain, Portugal, Turkey, Denmark, Sweden, Norway, Finland, Germany, Czechoslovakia, and Austria. In addition, Polish imports and exports are included in bread grain and sugar. The coverage for Sweden is incomplete.

the published monthly trade returns giving only the most important items in each commodity group, which, however, usually make up from 80 to 90 per cent of its total trade. For Germany, the 1938 data are for the whole of the pre-war territory; the post-war figures are for the U.K./U.S. Zone only up to the end of 1949 and thereafter for the three western zones. The Saar formed part of the German trade area in 1938, but beginning with the first quarter of 1948, its trade is included with that of France.





European imports of which United Kingdom France Belgium-Luxembourg	1,296	93	60	22	719	324	280	354	331
	169	113	43	38	604	829	818	1,141	822
European exports of which United Kingdom France Belgium-Luxembourg	249	248	113	113	201	212	215	215	233
	249	248	113	113	201	212	215	215	233
Raw wool	255	244	210	200	178	170	218	248	244
	255	244	210	200	178	170	218	248	244
Raw cotton	506	478	324	367	269	365	445	481	504
	506	478	324	367	269	365	445	481	504
Wool yarn	9.8	8.4	7.2	7.3	5.8	6.5	6.3	6.5	13.0
	9.8	8.4	7.2	7.3	5.8	6.5	6.3	6.5	13.0
Cotton yarn	25.0	16.4	11.1	9.7	10.1	11.3	10.0	11.1	23.2
	25.0	16.4	11.1	9.7	10.1	11.3	10.0	11.1	23.2
Artificial yarn and fibres	10.9	9.3	5.6	7.8	8.3	8.7	11.2	11.3	12.5
	10.9	9.3	5.6	7.8	8.3	8.7	11.2	11.3	12.5
Cotton tissue	20.4	20.3	25.0	30.9	35.1	30.7	31.9	25.4	33.4
	20.4	20.3	25.0	30.9	35.1	30.7	31.9	25.4	33.4
Hides and skins	148	134	88	107	107	157	117	129	122
	148	134	88	107	107	157	117	129	122
Rubber	112	109	136	134	155	109	136	128	157
	112	109	136	134	155	109	136	128	157

a For the composition of the commodity groups and information on conversion factors employed, see *Economic Survey of Europe in 1949*, Appendix B, page 260.

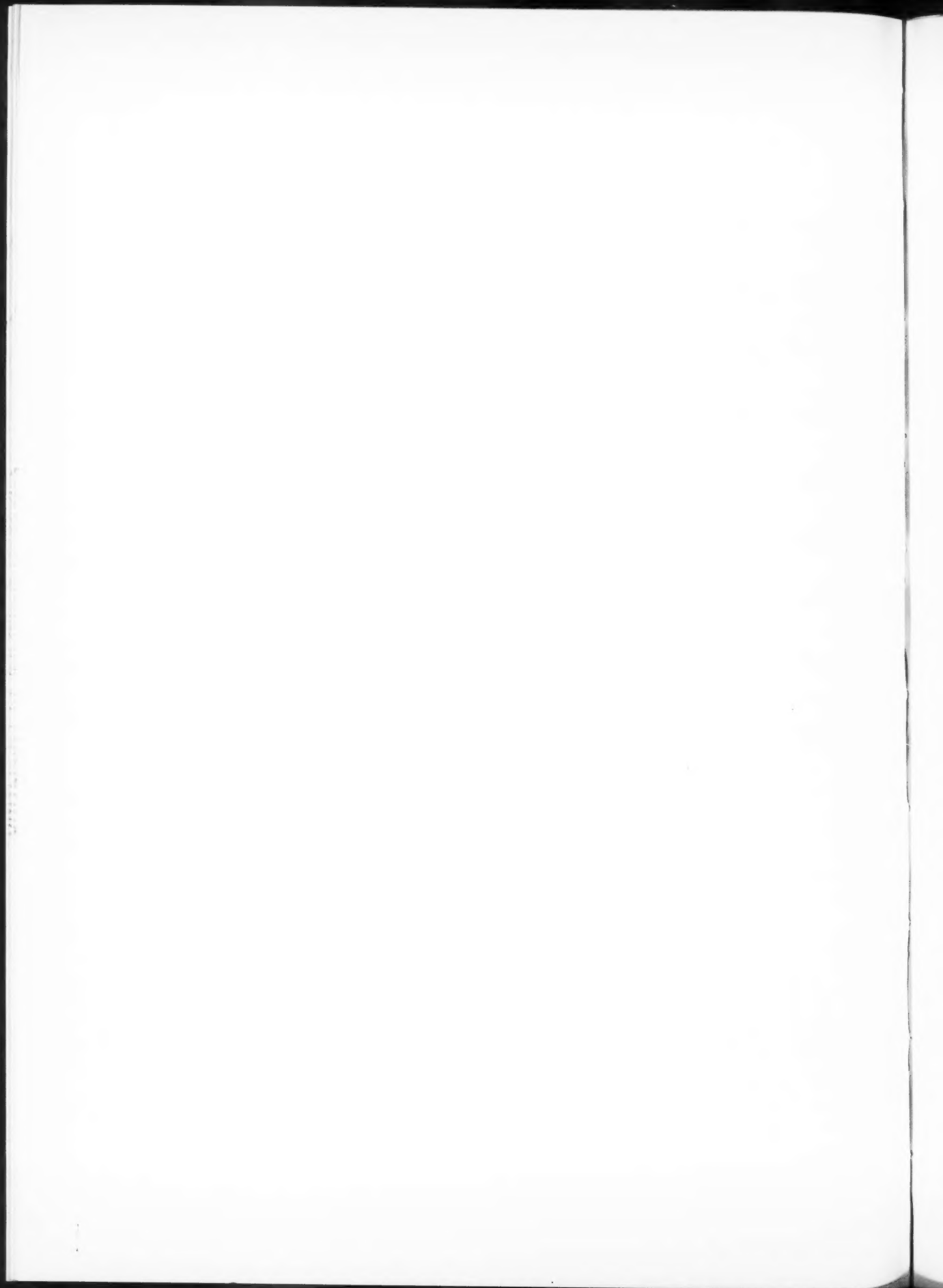
b The countries whose trade is included throughout the table are: United Kingdom, Iceland, Ireland, France, the Netherlands, Belgium-Luxembourg, Switzerland, Italy, Greece, Spain, Portugal, Turkey, Denmark, Sweden, Norway, Finland, Germany, Czechoslovakia, and Austria. In addition, the figures for coal and coke include the trade of all other European countries (including the U.S.S.R.); the figures for mineral oil include the trade of Poland, Hungary, Rumania and Yugoslavia; and the figures for timber, wood-pulp, raw wool, raw cotton, hides and skins and rubber include the trade of Poland. The coverage for Sweden is incomplete, the published monthly trade returns giving only the most important items in each commodity group, which, however, usually make up from 80 to 90 per cent of its total trade. For Germany, the 1938 data are for the whole of the pre-war territory; the post-war figures are for the U.K./U.S. Zone only up to the end of 1949 and thereafter for the three western zones. The Saar formed part of the German trade area in 1938, but beginning with the first quarter of 1948, its trade is included with that of France.

c Estimated on the basis of data for January.

d Crude equivalent.

e Totals cover only countries for which export figures are shown separately plus Sweden.





## NOTES TO THE STATISTICS

### 1. GENERAL

The statistical series contained in the section "European Economic Statistics" are generally a continuation of those published in the *Economic Survey of Europe in 1948* and in the preceding issues of the *Economic Bulletin for Europe*. For sources and methods of computation, reference should be made to the above-mentioned publications, in which they were fully described. In a few cases, where revised or additional data have been used, explanations are given below.

The tables include information received up to 16 June. In general, the most recent figures are to be regarded as provisional and subject to later revision. In some cases the figures differ from those given in the preceding issues of this *Bulletin*, as they have since been revised and brought up to date.

Slight discrepancies between constituent items and the totals as shown in the tables are due to rounding.

### 2. INDEX NUMBERS OF INDUSTRIAL PRODUCTION (Tables I-V)

#### (a) General index

The index numbers for most countries are based on pre-war weights and therefore do not take into account changes in the price-structure compared with pre-war. In cases where, as for the United Kingdom, two pre-war links are available, one based on pre-war weights, one on post-war weights, the first one has been given preference for reasons of comparability with other countries. It is likely that, if for all countries post-war weights could be used, the index numbers would be considerably lower. In the case of the United Kingdom the index for 1949 would be 129 (1938 = 100).

Although the methods used in computing production indices differ from country to country the most common method is that indices of physical output (thus gross output) for individual industries are weighted according to their net production value. The main exception is the index for the Soviet Union, which is essentially an index of gross production.

#### Revisions and Additions

*Denmark*: The annual indices have been adjusted so as to include gas and electricity and peat and lignite mining. The quarterly index numbers include gas and electricity only. The data needed for these adjustments were communicated by the Danish Statistical Bureau.

*France*: The food industry has been included in the annual index. The indices of food-processing output and the relative weight to be given to the industry were communicated by the French Statistical Institute.

*Saar*: An index has been computed on the basis of production data for pig-iron, steel, rolled products, coal and coke.

*Luxembourg*: *L'Economie luxembourgeoise en 1949*, Ministère des Affaires économiques.

The link with 1948 and the shift of the original base from 1937/38 = 100 to 1938 = 100 are based on data communicated by the Ministry for Economic Affairs.

*Sweden*: The new index of Industriförbundet, linked with that of the Kommerskollegium, has been adjusted so as to include electricity production. The relative weights are based on data forwarded by the Kommerskollegium.

#### (b) Textiles

*Sweden*: The index for 1947 is the final index of textile production, excluding clothing. The indices for 1948 and 1949 are the new index numbers of Industriförbundet (including clothing) linked to the above 1947 index. The quarterly indices have also been taken from Industriförbundet.

#### (c) Chemicals

*Finland*: The indices for 1948 and 1949 have been adjusted to the level of the final annual index for 1947.

*France*: Oils and soap have been included.

*Norway*: The oil industry has been included.

#### (d) Building materials, ceramics and glass

*Austria*: *Monatsberichte des Österreichischen Institutes für Wirtschaftsforschung*, Vienna.

*Belgium*: *Bulletin de l'Institut de recherches économiques et sociales*, Université catholique de Louvain. Quarrying has been excluded.

*Czechoslovakia*: *Statistický Zpravodaj*. Glass, ceramics and earth.

*Finland*: *Economic Review*, Kansallis-Osake-Pankki, Helsinki. Stone, clay, glass and peat.

*France*: *Bulletin de la Statistique générale de la France*. Glass, ceramics and building materials.

*Greece*: *Monthly Indicators of Industrial Production in Greece*, Federation of Greek Industries, Athens.

*Ireland : Irish Trade Journal and Statistical Bulletin.*

*Netherlands : Index of building materials and ceramics, adjusted for number of working days, communicated by the Dutch Bureau of Statistics.*

*United Kingdom : Monthly Digest of Statistics.* China and earthenware, glass, bricks, cement, etc. The index used for adjustment to the 1938 base covers building as well as building materials.

### 3. PRODUCTION OF MAJOR COMMODITIES (Table XII)

The figures have been taken from the *Monthly Bulletin of Statistics*, United Nations, and national sources.

### 4. PRICES (Table XIII)

The indices of wholesale prices and cost of living are generally those published by the countries as the official index numbers, with the following exceptions :

*Austria : Monatsberichte des Österreichischen Institutes für Wirtschaftsforschung*, Vienna (for cost-of-living index).

*Belgium : Bulletin de l'Institut de recherches économiques et sociales*, Université catholique de Louvain (do.)

*France : L'observation économique*, Institut d'observation économique, Paris (do.)

*United Kingdom :* The annual indices relate consumers' expenditure in current prices to that in 1938 prices for the same year (based on information given in the official publications on national income) and hence may have a downward bias.

### 5. INTERNATIONAL TRADE (Tables XIV-XVI AND Table 7)

#### (a) Index numbers of the volume of imports and exports (Table XV)

*Revisions and additions :*

*Ireland :* The indices for 1949 have been revised according to data published in the *Irish Trade Journal and Economic Series*.

*United Kingdom :* For the first quarter of 1950 the new index published in the *Board of Trade Journal* (base 1947 = 100) has been shifted to a 1938 base on the basis of data shown in the same publication.

#### (b) Index numbers of prices or average unit values of imports and exports (Table XIV)

The figures for Denmark, Finland, Sweden, Switzerland and the United Kingdom are official indices based on unit values derived from trade statistics or (for Denmark and Sweden) market quotations, and on constant pre-war weights (except for the United Kingdom where post-war weights have been used).

For Belgium, Germany (Trizone), Italy, the Netherlands, and Norway, the officially published index of unit values has been used. The figures for France are average unit values derived from information on the value and volume of trade as given in national statistics.

The percentages of average rise or fall in exchange rates measured by the country distribution of imports are based on calculations published in *International Financial Statistics*, International Monetary Fund, January 1950, p. 9.

#### (c) Imports and exports of ten European countries according to origin and destination (Table XVI)

*Revisions and additions*

(1) A new group, "Dependent overseas territories", has been added. This group includes also the former Italian colonies and Indonesia. Consequently, the former groups "Latin America" and "Other overseas countries" have been altered. Dependent overseas territories in the Sterling Area are still included in the group "Sterling area".

(2) The exchange rate for the conversion of the trade for the U.K./U.S. Zone for the fourth quarter 1948 into dollars has been obtained from *Der Aussenhandel des Vereinigten Wirtschaftsgebietes im Jahre 1949, Teil 2*. This publication now gives the import figures in Reichsmark and dollars also for the second half of 1948.

#### (d) Volume of exports of European countries and the United States by area of destination (Table 7)

The Unit values for the total exports have been used for the exports to each area of destination.